



ANNUAL REPORT 2009-2010



UMDONI
MUNICIPALITY

Vision

"By 2011, Umdoni Municipality will be synonymous with service delivery excellence, good corporate governance, financial viability and a vibrant local economy delivering services to all its communities in an efficient, effective and economical manner."

Umbono

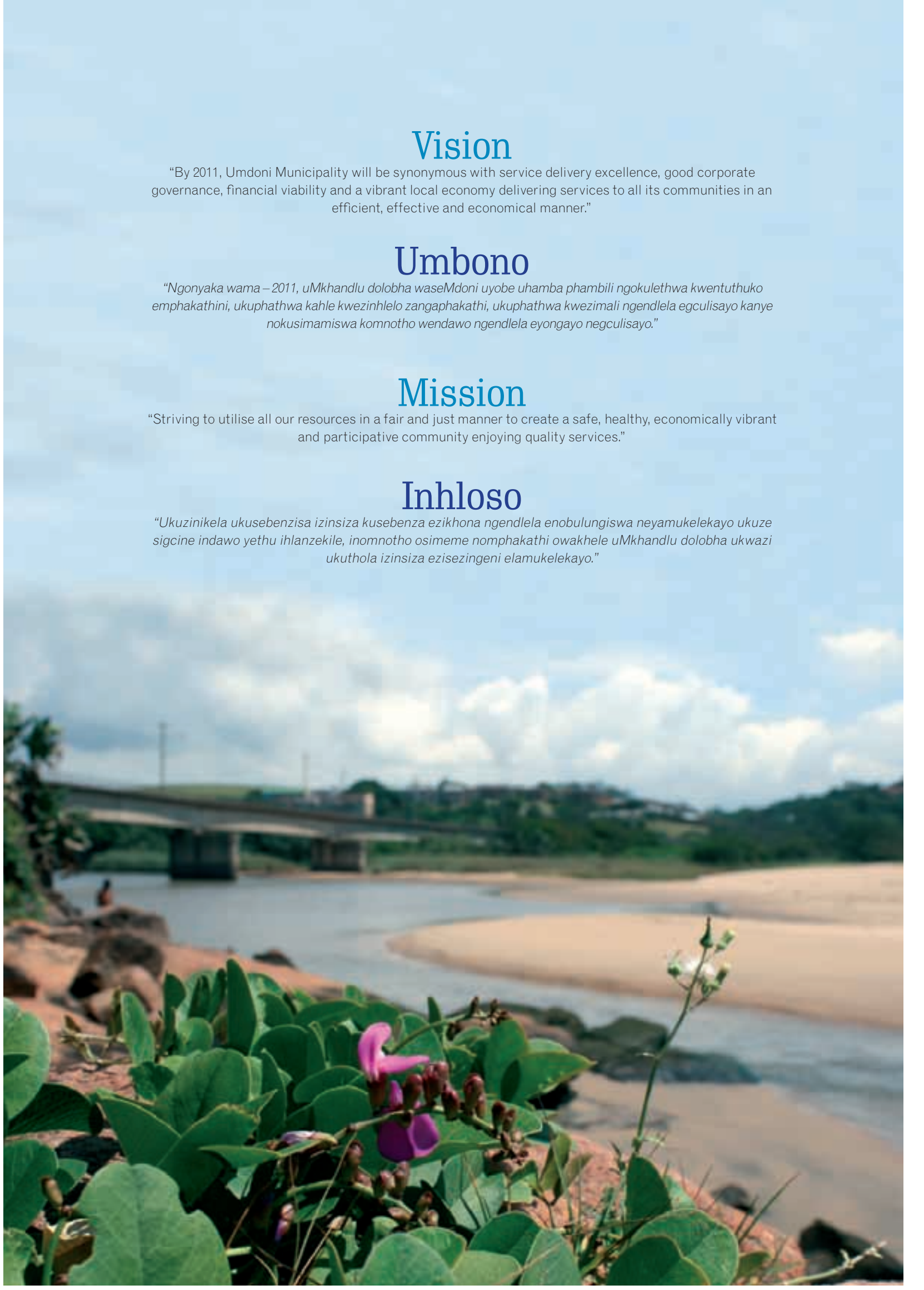
"Ngonyaka wama – 2011, uMkhandlu dolobha waseMdoni uyobe uhamba phambili ngokulethwa kwentuthuko emphakathini, ukuphathwa kahle kwezinhlelo zangaphakathi, ukuphathwa kwezimali ngendlela egculisayo kanye nokusimamiswa komnotho wendawo ngendlela eyongayo negculisayo."

Mission

"Striving to utilise all our resources in a fair and just manner to create a safe, healthy, economically vibrant and participative community enjoying quality services."

Inhloso

"Ukuzinikela ukusebenzisa izinsiza kusebenza ezikhona ngendlela enobulungiswa neyamukelekayo ukuze sigcine indawo yethu ihlanzekile, inomnotho osimeme nomphakathi owakhele uMkhandlu dolobha ukwazi ukuthola izinsiza ezisezingeni elamukelekayo."



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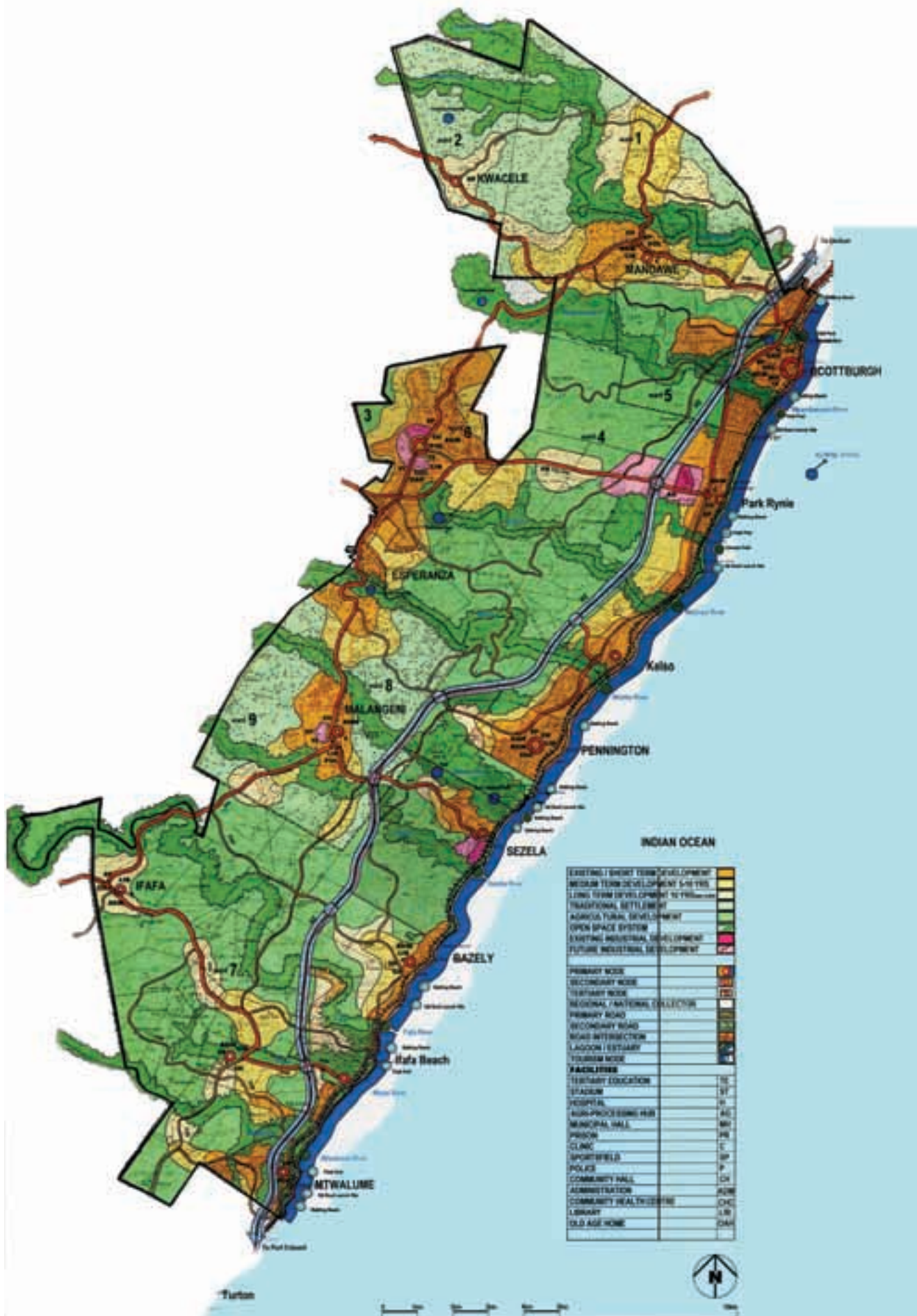
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INTRODUCTION AND OVERVIEW

Mayoral Foreword

As this is the final annual report for the present Councillors, it must produce an objective assessment of the state of governance in our Municipality so that our successors can work to overcome our challenges and build on our achievements.

The year under review saw a very acute focus on local government. Service delivery protests in some parts of the country prompted National Government to do an assessment of all municipalities in the country. All role-players and stakeholders were consulted and an assessment of governance was conducted in each municipality. These assessments led to all municipalities being requested to prepare a Municipal Turn Around Strategy (MTAS) to address identified challenges. This is expected to enhance governance and improve service delivery.

An objective assessment of our performance in the last five years will surely reveal that we have achieved certain milestones in respect of governance and infrastructure development. The two areas where we are still faced with challenges are the provision of housing and rural development. Therefore, our new focus is to use all available resources to deal with these challenges.

The cost of administration must translate to identifiable service delivery. The lives of the majority of our residents in our rural areas must be tangibly improved. The expectations created pre-1994 and nurtured in the past sixteen years must come to fruition. As a council, our term of office, which ends shortly, must reveal a concerted effort to meet those expectations or else we will have compromised the trust placed in us as elected public representatives.

As a sphere of government closest to the people and a conduit for all service delivery, we must constantly remind ourselves that our goal is to serve our people and not ourselves.

It is my optimistic belief that we can achieve 'Operation Clean Audit 2014' before 2014, a belief supported by the Auditor General. Our fourth consecutive unqualified audit report had very few minor matters of emphasis which I am sure the officials, with some sustained commitment, can overcome.

It is, therefore, my profound honour to present this Annual Report documenting the performance of our municipality. Notwithstanding many inhibiting challenges, we sought to create a better life for all our people. As we move forward, certain challenges will become very intimidating, but I can reassure any aspirant councillor that we do have the institutional capacity to overcome them.

The year 2010 saw us bring the world to Africa when we staged a highly successful Soccer World Cup. As a host nation, we were paraded in front of millions of people. If there is any part of this legacy we should carry forward, it should be the spirit of togetherness we displayed to the world. We also commenced the celebration of:

- 150 years of arrival of Indians in South Africa.
- the 150th Anniversary of Scottburgh.

The Council launched both celebrations in recognition of these milestones.

I thank my colleagues, all our Councillors who worked tirelessly in the interest of our wider communities, our management and staff under the stewardship of our Municipal Manager, for their commitment and enthusiasm. Finally, to our communities, for giving us this noble honour to serve you.



COUNCILLOR NH GUMEDE, MAYOR



Foreword by the Municipal Manager



“Things which matter most must never be left at the mercy of things which matter least”. GOETHE

The year under review saw the Presidency, the highest office in the land, place a sustained focus on the local sphere of government. This was occasioned by the communities' unhappiness with the slow pace of service delivery. This focus brought a plethora of intervention aimed at making service delivery at local level a collective governmental responsibility, the most tangible being the development and implementation of a Municipal Turn-Around Strategy (MTAS) aimed at primarily dealing with identified weaknesses. Appropriate legislative amendments are being promulgated to ensure that municipalities employ the necessary skills and expertise to deliver on their functional mandates.

Whilst we were not found to be languishing at the 'bottom of the pile', we were found to be experiencing certain challenges that were hindering our ability to be a seamless delivery mechanism.

The provision of basic housing still remains our primary challenge, together with rural development. These two priorities have been addressed in the MTAS and it is hoped that subsequent progress will be realised. Our approach to service delivery, especially the provision of infrastructure, should be informed by the model followed in delivering our world class stadia and all attendant services for the Soccer World Cup. Many prophets of doom predicted non-compliance and the need to identify plan B (another host country), but we proved them wrong. Decision-making was quick and infrastructure was delivered in record time. This ethos of working to non-negotiable timeframes should be mandatory for deliverables and milestones in government, especially local government.

Whilst our fourth consecutive unqualified audit report would suggest a commitment to good corporate governance, unnecessary matters of emphasis brings to the fore some lapses in commitment. The Auditor General is convinced we can achieve this before 2014, a challenge we are vigorously pursuing. There are no long outstanding municipal services charges and taxes owed by Umdoni Municipality as at the year end.

A fundamental shortcoming in local government is 'over-allocation' of resources to planning and preparation. Unfortunately, the cost of legislative compliance in planning is prohibitive in that not many resources are available to deliver the services to our communities. The allocation of resources must be in direct proportion to the value they bring to beneficiary communities.

The year under review saw the final evaluation of the Integrated Development Plan (IDP). The preparation of the 'new' IDP must be needs-driven and more community-generated. The content must be practical, implementable and add value. Of special focus in public participation should be the productive involvement of all our rural communities.

The global economic upheaval in the last few years has created an awareness for municipalities to plan for such occurrences and to ensure financial sustainability.

We have limited our exposure to external loans and are in the process of creating a sustainable financial platform.

Given the demanding and multi-faceted nature of local government, we must ensure that we have the necessary skills and expertise to deliver on our mandates. The minimum competency levels, as prescribed by National Treasury, must be achieved. Poor performance and mediocrity by senior management cannot be

accepted if municipalities are to become centres of excellence in service delivery. Seeking to mirror Cabinet's acknowledgement that local government is everyone's business, we must engineer our systems to ensure that we are the nucleus of the service delivery mechanism to make a difference for the better in the lives of all our communities.

Finally, it is appropriate and relevant to acknowledge the present political leadership as this is the last Annual Report to be presented under their stewardship. All our administrative actions were tempered with sound political leadership and oversight which assisted us to find local solutions for local challenges. Human existence, by its very nature, is interdependent and, therefore, our functioning as a local sphere of government is always reliant on the support of many role-players and stakeholders, to whom we will always remain grateful.



DD NAIDOO
MUNICIPAL MANAGER



Report by the Chairman of the Audit Committee

We are pleased to present our report for the financial year ended 30 June 2010.

Audit Committee members and attendance

In terms of the Municipal Finance Management Act (MFMA) and the Umdoni Municipality's Audit Charter, the Audit Committee must consist of five members, three of whom must be external independent members. None of the members may be Councillors.



The Audit Committee consists of the members listed hereunder and meets at least four times per annum as per its approved Charter.

Member	Audit Committee	Performance Audit Committee	Total number of meetings attended
Mr Anil Ramnath (Chairperson) ^A	4/4	2/2	6/6
Mr David Parry ^A	4/4	2/2	6/6
Mr Silas Hlophe ^A	1/4	0/2	1/6
Mr DD Naidoo ^B	4/4	2/2	6/6
Mrs GN Mavundla ^C	2/4	2/2	4/6

^A External member ^B Municipal Manager ^C General Manager: Corporate Services

Audit Committee's responsibilities

The Audit Committee's responsibilities are outlined in Section 166(2)(b) of the Municipal Finance Management Act (No. 56 of 2003). The Audit Committee has adopted appropriate formal Terms of Reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter, and has discharged all its responsibilities as contained therein.

A summary of the Audit Committee's responsibilities in terms of the foregoing Act and its Charter is that it is responsible for, among other things, the following:

Auditors and external audit

Discuss and review with external auditors, inter alia:

- the nature and scope of the audit function;
- review of the Auditor-General's management letter and management response.

Annual Financial Statements

- Review and discuss with the Auditor-General and the Accounting Officer, the audited annual financial statement to be included in the Annual Report.
- Review the adequacy, reliability and accuracy of the financial information provided to management and other users of such information.

Performance management

- Review the performance management system ensuring functionality thereof and compliance with the Act.
- Focus on economy, effectiveness, efficiency, reliability and impact applicable to the Municipality's

- own key performance indicators.
- Report on the outcomes of its review and focus areas to the Council, at least twice per annum.

Internal control and internal audit

The monitoring and supervising of the effective function of the internal audit, including:

- evaluating performance, independence and effectiveness of internal audit and external service providers through internal audit;
- initiating investigations within its scope e.g. employee fraud, misconduct or conflict of interest.

Ethics

Reviewing the effectiveness of mechanisms for the identification and reporting of:

- any material violations of ethical conduct of Councillors and municipal staff.

Compliance

- Carrying out investigations into financial affairs as Council may request;
- Reviewing the effectiveness of mechanisms for the identification and reporting of compliance with laws and regulations.

The Audit Committee is satisfied that it has complied with its responsibilities and has discharged them properly and efficiently.

The effectiveness of internal controls

From the various reports of the internal auditors, the audit report on the annual financial statements, the matters of emphasis and management letter of the Auditor-General, it was noted that no significant or material non-compliance with prescribed policies and procedures have been reported.

The quality in year management and monthly/quarterly report submitted in terms of the MFMA

The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and management during the year under review.

Internal audit function

During the year under review, an audit plan was prepared based on the Annual Risk Assessment. The following is a list of projects undertaken by Internal Audit, arising from the risk assessment:

- Risk Assessment and Audit Plan
- Review of Performance Management System
- Follow up – Order to Cash
- Executive Summary – Auxiliary and Registry
- Executive Summary – Asset Management
- Follow up – Traffic Management
- Follow up – Fleet Management
- Procure to Pay – Specific to SCM Compliance.

The Audit Committee is, however, satisfied with the performance of the Internal Audit function but has addressed management with regarding to allocating a larger budget for Internal Audit.

Evaluation of annual financial statements

The Audit Committee has:

- reviewed and discussed with the Auditor-General and the Accounting Officer the audited annual financial statements to be included in the Annual Report;
- reviewed the Auditor-General's management letter and management responses;
- reviewed the accounting policies and practices;
- evaluated the audited annual financial statements to be included in the Annual Report and, based



- on the information provided to the Audit Committee, considered that the said statements comply in all material respects with the requirements of the MFMA and Treasury Regulations as well as South African Statements of Generally Accepted Accounting Practice (GAAP) and certain statements of Generally Recognised Accounting Practice (GRAP) and statements of Generally Accepted Municipal Accounting Practice (GAMAP);
- reviewed the particulars of the management action plan in response to the issues raised by the Auditor-General in his report.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

The Audit Committee also notes the Emphasis of Matters: Irregular Expenditure – relating to supply chain management regulations not being adhered to – R218 027; Unauthorised expenditure to the amount of R12.3 million, as the total budget was exceeded.

The Audit Committee also notes the Auditor-General's remarks under the headings 'Report on Other Legal and Regulatory Requirements', 'Internal Control' and 'Investigation'.

Other activities

The chairperson also participated in the following committees and panels during the financial year:

- Oversight Committee: To advise and assist in the preparation of the Annual Report. This opportunity was taken to advise on certain shortcomings of the Annual Report, in particular, and the Municipality, in general, and to advise on corrective actions.
- Performance Evaluation Committee: To assist in the evaluation of s57 employees with regard to performance bonuses and the monitoring and motivation of said employees bi-annually.
- Audit Steering Committees: To observe, monitor and advise in the audit process with the Auditor-General.
- The chairperson was also invited to update and inform Council during the year.

Appreciation

I would like to thank my colleagues for making themselves available to serve on this Committee and for the significant contributions that they have made.

As an Audit Committee, we rely to a great extent on the Manager: Internal Audit and her staff in the Internal Audit Department for their support and assistance and, in particular, for the role they continue to play in improving the accounting and internal auditing systems and controls at Umdoni Municipality. We are indebted to them for their efficient service and assistance.

We are also grateful to the Municipal Manager, the Auditor-General, and all other invitees to our meetings, including the external service providers, all of whom provided invaluable information to the Committee.



Mr Anil Ramnath
Past Chairperson: Umdoni Municipality Audit Committee

Date: 17 February 2011

Overview of the Municipality

Umdoni Municipality is located in the Ugu District and covers an area of approximately 238 km². The coastline stretches approximately 40 km and it is approximately 50 km from the city of Durban and 65 km from Port Shepstone.

Umdoni Municipality can be divided into three major land uses, i.e. commercial agriculture, traditional authority areas (located to the north of the municipal area) and coastal urban nodes which include Scottburgh, Park Rynie, Kelso, Pennington, Bazley, Ifafa Beach, Mtwalume and the town of Umzinto.

The Municipality is made up of nine wards as reflected hereunder:

- Ward 1 – Amahlongwa
- Ward 2 – Amandawe
- Ward 3 – Umzinto/Ghandinagar/Shayamoya and Alexandra
- Ward 4 – Park Rynie/Amandawe
- Ward 5 – Scottburgh/Amandawe
- Ward 6 – Umzinto/Hazelwood/Asoka Heights
- Ward 7 – Pennington/Sezela/Ifafa/Mtwalume
- Ward 8 – Malangeni/Esperanza
- Ward 9 – Malangeni



According to Statistics South Africa and based on the Community Survey 2007, Umdoni Municipality has a total population of 74 437 (which makes up the 10% of the District Municipality). The Independent Electoral Commission records indicate that there are 31 227 Umdoni citizens who are registered in the voters roll. The following comparison has been provided in respect of voter registration:

2007	2008	2009	2010
22 238	22 727	30 264	35 589

Voter registration figures per ward are as follows:

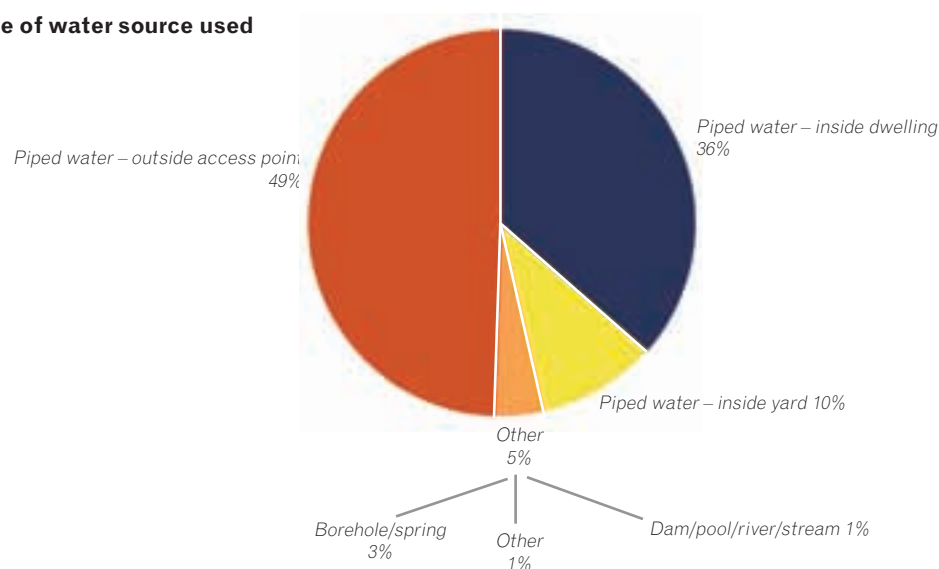
Ward 1	3 298
Ward 2	4 065
Ward 3	3 602
Ward 4	3 905
Ward 5	3 984
Ward 6	3 878
Ward 7	3 297
Ward 8	4 064
Ward 9	3 525
TOTAL	33 618

Other statistics relating to the Umdoni Municipal area are extracted from the Statistics South Africa 2007 Community Survey Data. No updated information was available at the time of producing this Annual Report:

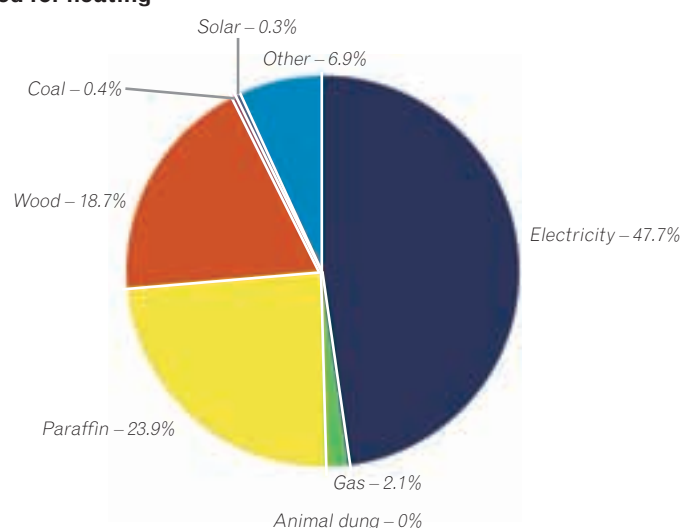
No. of households in Umdoni Area	16 383
Percentage of persons by gender	
Males	49.1%
Females	50.9%
Percentage of persons by population group	
Black	81.5%
Coloured	1.2%
Indian or Asian	10.6%
White	6.7%
Percentage of population by age group	
Age 0-14	30.3%
Age 15-64	63.9%
Age 65+	5.8%
Percentage of type of toilet facility per household	
Flush toilet	55.7%
Pit toilet	32.6%
Chemical or dry	4.8%
None	6.9%
Percentage of households by tenure status	
Owned and fully paid	55.7%
Owned, not paid off	10.1%
Rented	15.4%
Occupied rent free	18.3%
Other	0.5%
Percentage type of energy used for lighting per household	
Electricity	60.5%
Gas	0.3%
Paraffin	6.4%
Candles	32.6%
Solar	0%
Other	0.2%
Main type of energy used for cooking	
Electricity	51.0%
Gas	4.1%
Paraffin	35.9%
Wood	8.7%
Coal	0%
Animal dung	0.1%
Solar	0%
Other	0.2%

Households by type of main dwellings	
Formal	69.3%
Traditional	24.4%
Informal	5.1%
Other	1.2%
Main source of water	
Piped water – inside dwelling	36.1%
Piped water – inside yard	9.5%
Piped water – outside access point	50.0%
Sub total	95.6%
Borehole/spring	2.6%
Dam/pool/river/stream	0.9%
Other	0.9%

Type of water source used



Main energy type used for heating



Traditional authorities in Umdoni

Umdoni Municipality comprises nine wards, four of which are predominantly rural, two of them are semi-urban and three are predominantly urban. Most of the rural areas have land that is predominantly owned by the Ingonyama Trust. Like all other constitutionally recognised traditional leadership structures, Umdoni has three traditional authorities within its jurisdiction, with each authority being constituted of different areas (*izigodi*) as follows:

Traditional authority	Traditional leader	Izigodi
Shozi Traditional Authority (Emalangeni)	Inkosi ST Shozi	Uswani iNkombo uMhlangamkhulu Amangamazi Emafithini uMdasha
Cele Traditional Authority (Emandawe/Kwacele)	Inkosi SD Cele The traditional court is at KwaCele area	Olwandle Kwenkulu Umgwempisi Okhalweni Emahlathini Mistake Farm
Zembeni Traditional Authority (Emahlongwa) This traditional authority overlaps into two Municipalities i.e. Umdoni and Vulamehlo	Inkosi NJ Mqadi The traditional court is at Dududu area (Vulamehlo Municipality)	uMgobhozini Ogqolweni

Umdoni Municipal area attractions

Vernon Crookes Nature Reserve

The area of this reserve covers 2 189 hectares and was proclaimed on 4 January 1973. It contains vegetation which is typical of the southern coastal regions of KwaZulu-Natal. The reserve hosts 56 mammal species which include zebra, blue wildebeest, bushbuck, blesbok, impala, oribi reedbuck, blue and grey duiker, banded mongoose, vervet monkeys, black-backed jackal, rock hyrax, tree hyrax, caracal, porcupine and a variety of mongoose. Birdlife is abundant, with over 300 confirmed species and the reserve also has an interesting variety of flora. There are 12 km of tourist roads in the reserve and a pleasant picnic site is available.

Crocworld

Crocworld was established in 1985 and has become one of the main tourist attractions on the South Coast. It is landscaped with indigenous trees and plants to blend in with the surrounding coastal forest. There are waterfalls, cycad gardens and magnificent sea and spectacular inland valley views. A rope bridge is suspended over the water enclosing the oldest and heaviest known Nile crocodile. Crocworld boasts a large collection of snakes and also showcases some of South Africa's endangered tortoise species. The fish eagle tunnel provides sightseeing of this majestic predator and more elusive species.



TC Robertson Nature Reserve

TC Robertson Nature Reserve has become a popular picnic venue for people who enjoy a pleasant day in the country. Access is easy for motorists as it is a 40-minute drive south of Durban and just a ten-minute walk from the centre of Scottburgh or from the main beach area. There are over 180 species of birds, and bushbuck grey duiker and blue duiker are often seen.



The 10 km trail system has proved popular and there are spectacular views over the forest and the floodplain of the Mpambanyoni River.

Other attractions

Annual Sardine Run

One of the biggest tourist attractions on our coast is the annual Sardine Run, a phenomenon where a huge shoal of sardines leaves the West Coast of Africa to follow the cold ocean current that flows up the South Coast of KwaZulu-Natal during the winter months.

Aliwal Shoal

Aliwal Shoal is a renowned site which offers some of the most spectacular diving, fishing, and shark and whale watching in the southern hemisphere and is one of the top ten dive sites in the world. Aliwal Shoal is a proclaimed marine protected area which effectively combines conservation with tourism.

Golfing

The Umdoni area is proud home to the Selborne Spa and Golf Estate, Umdoni Park Golf Club and Scottburgh Golf Club.

Beaches

Many of the Umdoni Beaches have undergone upgrades after the June 2008 flood damage and tidal surge damage. The Scottburgh Beach, Park Rynie Beach and Campsite, Pennington Main Beach and Ifafa Beach are popular tourist attractions and all these sites have lifeguards in attendance during peak holiday seasons.

The Easter Couta Classic

The Pennington Easter Couta Classic is run and organised by the local Pennington Ski Boat Club. This competition commenced approximately twenty-two years ago, in a garage in Salmon Drive. The first prize was a deep freeze. The popularity of this event has escalated amongst the fishing fraternity country-wide, as have the prizes, now no longer deep freezes, but a boat and trailer. Coupled with the fishing event are many features such as a fleamarket and various competitions, lifting the sleepy coastal village of Pennington into a hive of activity for locals and visitors from afar.

Sezela Sugar Mill

With its rated crushing capacity of 450 tons cane an hour, Sezela is Illovo Sugar Ltd's largest sugar mill in South Africa and ranks as the third largest mill in the South African sugar industry. Sezela Sugar Mill produces only raw sugar that is marketed internationally by the SA Sugar Association, through Durban's world-class bulk sugar terminal. Today, Sezela – along with its three sister factories in KwaZulu-Natal and Illovo Sugar's seven other sugar factories in five other southern African countries – is a modern sugar operation with ongoing technical development aimed at the optimisation of installed capacity. The Sezela Downstream plant, adjacent to the mill, utilises the mill's bagasse to manufacture furfural (used mainly in lube oil refineries for the purification of oils), furfural alcohol (used mainly to produce a resin in the foundry industry as a binder for foundry sands), Agriguard (an agricultural nematicide), diacetyl and 2,3-pentanedione (both used as high-quality natural flavourants), and BioMass Sugar (a sugar cane-based fertiliser). Illovo Sugar has pioneered the production of furfural from bagasse at its Sezela-based plant and, besides being the second largest factory of its kind in the world, is a global leader in the production of these products.

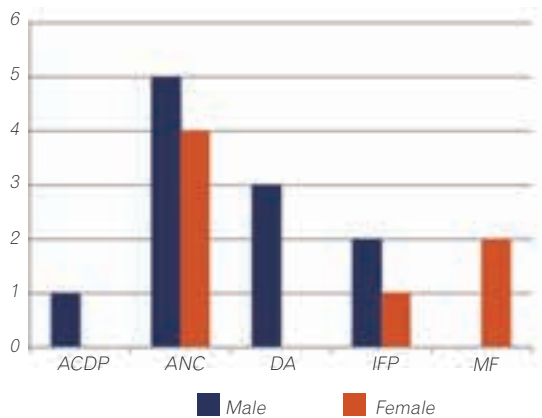


Governance

The Umdoni Municipal Council consists of 18 Councillors, four of which are full time Councillors. The political and gender representation of Umdoni Council is reflected hereunder.

Political party	Male	Female	Total no. of Councillors
ACDP	1	0	1
ANC	5	4	9
DA	3	0	3
IFP	2	1	3
MF	0	2	2

Councillors by political affiliation and gender



Council structure – political leadership



Cllr P Naidoo
Deputy Mayor (ANC)



Cllr NH Gumede: Her Worship the Mayor –
Ward 6 (ANC)



Cllr MO Zama: Speaker – Ward 4
(ANC)

There was one resignation during the period of reporting:

ACDP – Cllr Govindasamy tendered his resignation with effect from 31 December 2009, Cllr K Ramadu replaced Cllr Govindasamy and was appointed a Councillor with effect from 15 January 2010.

Cllr P Naidoo was elected as Member of the Executive Committee with effect from May 2009, and the position of Deputy Mayor was not concluded during the period of our previous report as the DA, IFP, MF and ACDP opposed the filling of the Exco Seat.

Councillor P Naidoo was duly elected as Deputy Mayor with effect from 3 August 2009.



*Cllr SP Gambushe
PR (IFP) & Exco Member*



*Cllr M Moodley
Ward 3 (ANC)*



*Cllr S Bhoola
PR (MF)*



*Cllr G Myende
Ward 8 (ANC)*



*Cllr EV Baptie
Ward 5 (DA)*



*Cllr ES Gumede
Ward 9 (ANC)*



*Cllr RW Meyer
Ward 7 (DA)*



*Cllr K Moodley
PR (DA)*



*Cllr PH Ngcobo
Ward 2 (ANC)*



*Cllr D Cele
Ward 1 (ANC)*



*Cllr MF Sulagan
PR (IFP)*



*Cllr NCP Msani
PR (ANC)*



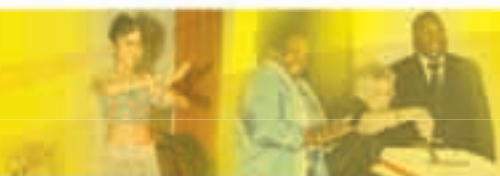
*Cllr K Ramadu
PR (ACDP)*



*Cllr GN Mbambo
PR (IFP)*



Cllr J Sheik Hassan PR (MF)



Report on Council and its committees

Council meetings

The Umdoni Council Meetings take place on the last Wednesday of each month. The meetings commence at 09h30 and are open to the public. The schedule of meetings is advertised annually in the local media. Attendance at the Council meetings for the period 1 July 2009 to 30 June 2010 was as follows:

Scheduled Council meeting TOTAL MEETINGS = 12	Total Councillors present at meeting	Absent/apology/on official Council business/ leave of absence	Total % in attendance
July 2009 (meeting scheduled for July was held on 3 August 2009)	18 (of 18)		100%
26 August 2009	14 (of 18)	CIlr S Bhoola CIlr K Moodley CIlr M Moodley CIlr JS Hassan	77%
30 September 2009	17 (of 18)	CIlr Govindasamy	94%
28 October 2009	15 (of 18)	CIlr ES Gumede CIlr RJW Meyer CIlr MS Sulagan	83%
25 November 2009	17 (of 18)	CIlr GN Mbambo	94%
9 December 2009	14 (of 18)	CIlr EV Baptie CIlr S Bhoola CIlr ES Gumede CIlr RJW Meyer	77%
27 January 2010	18 (of 18)		100%
24 February 2010	15 (of 18)	CIlr ES Gumede CIlr GN Mbambo CIlr RJW Meyer	83%
31 March 2010	13 (of 18)	CIlr SP Gambushe CIlr ES Gumede CIlr M Moodley CIlr K Ramadu CIlr MS Sulagan	72%
28 April 2010	15 (of 18)	CIlr ES Gumede CIlr GN Mbambo CIlr M Moodley	83%
26 May 2010	17 (of 18)	CIlr GN Mbambo	94%
30 June 2010	14 (of 18)	CIlr SP Gambushe CIlr ES Gumede CIlr K Moodley CIlr GH Myende	77%
SPECIAL COUNCIL MEETINGS = 2			
9 April 2010	10 (of 18)	CIlr EV Baptie CIlr SP Gambushe CIlr ES Gumede Her Worship the Mayor CIlr NLP Msani CIlr M Moodley CIlr GH Myende CIlr MS Sulagan	55%
16 April 2010	13 (of 18)	CIlr SP Gambushe CIlr ES Gumede CIlr GN Mbambo CIlr M Moodley CIlr RJW Meyer	72%

Executive Committee meetings



Cllr P Naidoo
Deputy Mayor (ANC)



Cllr NH Gumede: Her Worship the
Mayor – Ward 6 (ANC)



Cllr MO Zama:
Speaker – Ward 4 (ANC)



Cllr SP Gambushe
PR (IFP) & Exco Member

The Executive Committee meets once per month and the meetings are open to the public. The Mayor, Cllr NH Gumede, chairs the Exco Meetings and the Executive Committee comprises the following Councillors:

- Cllr NH Gumede (Mayor and Chairperson of Exco)
- Cllr P Naidoo (Deputy Mayor with effect from 3 August 2009)
- Cllr SP Gambushe (Exco Member)
- Cllr MO Zama (Ex Officio Member)

Attendance at Exco Meetings for the period 1 July 2009 to 30 June 2010 was as follows:

Total number of meetings (including special meetings)	Cllr NH Gumede (Mayor)	Cllr SP Gambushe	Cllr P Naidoo Deputy Mayor
15	15	12	15
	100%	80%	100%

The Umdoni Municipal Council is supported by a Committee System with Portfolio Committees. The Municipality has three Portfolio Committees, namely Community Services, Planning Development & Infrastructure and the Finance and Administration Committee. These Committees meet once a month and make recommendations to the Executive Committee which assists Exco in policy development and accelerated service delivery.

Portfolio Committees

Community Services Committee

The Community Services Committee is Chaired by Councillor SP Gambushe, and the Committee advises and recommends to Exco in respect of the following: Clinics, libraries, beaches, housing, protection services, community facilities, and special programmes.

Members' attendance at the Community Portfolio Committee meetings for the period 1 July 2009 to 30 June 2010 was as follows:



Cllr SP Gambushe
PR (IFP) & Exco Member



- Members:** Cllr SP Gambushe (Chairperson)
 Cllr D Cele
 Cllr JS Hassan
 Cllr ES Gumede
 Cllr K Moodley
 Cllr M Moodley
 Cllr GH Myende

TOTAL NUMBER OF MEETINGS = 8	Number	%
Cllr SP Gambushe (Chair)	6 (of 8)	75%
Cllr D Cele	6 (of 8)	75%
Cllr JS Hassan	8 (of 8)	100%
Cllr ES Gumede	2 (of 8)	25%
Cllr K Moodley	8 (of 8)	100%
Cllr M Moodley	6 (of 8)	75%
Cllr GH Myende	5 (of 8)	62%

Planning, Development & Infrastructure Committee

The Planning, Development & Infrastructure Committee was Chaired by Councillor P Naidoo. The PD & I Committee advises and recommends to Exco in respect of the following:

- Planning:** Town Planning and Development Planning, Building Control and Planning;
Development: IDP (monitoring, evaluation, amendment and review), and local economic development.
Infrastructure: Roads, Stormwater, Parks & Gardens, Maintenance & Building Maintenance, Refuse Collection and Landfill Site.

Members attendance at the Planning, Development & Infrastructure Committee Meeting for the period 1 July 2009 to 30 June 2019 was as follows:

- Members:** Cllr P Naidoo, Deputy Mayor (Chairman)
 Cllr S Bhoola
 Cllr EV Baptie
 Cllr D Cele
 Cllr ES Gumede
 Cllr MO Zama
 Cllr MS Sulagan



Cllr P Naidoo
 Deputy Mayor (ANC)

TOTAL NUMBER OF MEETINGS = 9	Number	%
Cllr P Naidoo (Chairman)	9 (of 9)	100%
Cllr S Bhoola	8 (of 9)	89%
Cllr EV Baptie	9 (of 9)	100%
Cllr D Cele	9 (of 9)	100%
Cllr ES Gumede	3 (of 9)	33%
Cllr MO Zama	9 (of 9)	100%
Cllr MS Sulagan	9 (of 9)	100%

Finance & Administration Committee

The Finance & Administration Committee is chaired by Her Worship the Mayor. The F&A Committee advises and recommends to Exco in respect of the following:

Finance: Financial planning, financial policies, financial management and financial reports.

Administration: By-laws, regulations and associated procedures, leasing, letting and hiring, information technology, legal services, secretariat, municipal offices and accommodation, records system and human resources.



Cllr NH Gumede: Her Worship the Mayor – Ward 6 (ANC)

Members attendance at the Finance & Administration Committee Meetings for the period 1 July 2009 to 30 June 2010 was as follows:

- Members:**
- Cllr NH Gumede, Mayor (Chairperson of F&A)
 - Cllr P Naidoo
 - Cllr RWJ Meyer
 - Cllr GH Myende
 - Cllr M Moodley
 - Cllr GN Mbambo
 - *Cllr G Govindasamy – Resigned 31 December 2009
 - *Cllr K Ramadu – Member of F & A with effect from March 2010

TOTAL NUMBER OF MEETINGS = 8	Number	%
Cllr NH Gumede	8 (of 8)	100%
Cllr P Naidoo	8 (of 8)	100%
Cllr RJW Meyer	6 (of 8)	75%
Cllr GH Myende	7 (of 8)	87%
Cllr M Moodley	5 (of 8)	62%
Cllr GM Mbambo	6 (of 8)	75%
*Cllr G Govindasamy	3 (of 4)	75%
*Cllr K Ramadu	2 (of 3)	66%

* Overall attendance of Councillors at Council, Exco and Portfolio Committee meetings. (Note – only the members' attendance is shown and the highlighted columns depict the Chairperson of the various committee meetings.)



Councillor	Council & Special Council	Exco & Special Exco	Finance & Admin	Community Services	PD & I
TOTAL MEETINGS (1 July 2009 – 30 June 2010)	14	15	8	8	9
CIlr EV Baptie	12 (86%)				9 (100%)
CIlr S Bhoola	12 (86%)				8 (89%)
CIlr D Cele	14 (100%)			6 (75%)	9 (100%)
CIlr SP Gambushe	10 (71%)	12 (80%)		6 (75%)	
CIlr G Govindasamy – <i>resigned 31/12/2009</i>	5 (of 6) (83%)		3 (of 4) (75%)		
CIlr ES Gumede	6 (43%)			2 (25%)	3 (33%)
CIlr NH Gumede (Mayor)	13 (93%)	15 (100%)	8 (100%)	8 (100%)	
CIlr JS Hassan	13 (93%)				
CIlr GN Mbambo	9 (64%)		6 (75%)		
CIlr RJW Meyer	10 (71%)		6 (75%)		
CIlr M Moodley	9 (64%)		5 (62%)	6 (75%)	
CIlr K Moodley	12 (86%)			8 (100%)	
CIlr GN Msani	13 (93%)				
CIlr GH Myende	12 (86%)		7 (87%)	5 (62%)	
CIlr P Naidoo (Deputy Mayor)	14 (100%)	15 (100%)	8 (100%)		9 (100%)
CIlr PH Ngcobo	14 (100%)				
CIlr K Ramadu	7 (of 9) (78%)		2 (of 3) (67%)		
CIlr MS Sulagan	11 (78%)				9 (100%)
CIlr MO Zama (Speaker)	14 (100%)				9 (100%)



MAYORAL PROGRAMMES AND HIGHLIGHTS

Mayoral programmes

Public Participation Programme: 9-12 November 2009



As part of the National Public Participation week, formally known as Imbizo week, Umdoni Municipality identified four rural wards where this public participation programme was to take place. The Programme is meant to reinforce accountability to citizens through continued engagement.

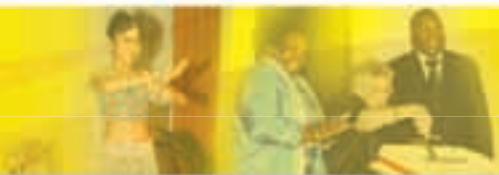
A Council resolution was taken to target communities which are located away from government services and those communities that wait or travel long hours to access such services. The Programme was run in the following areas:

Date	Ward/Councillor	Venue
9 November 2009	Ward 2 – Cllr PH Ngcobo	KwaBhakajane
10 November 2009	Ward 9 – Cllr ES Gumede	KwaMdasha
11 November 2009	Ward 7 – Cllr RJW Meyer	Kelso informal settlements
12 November 2009	Ward 1 – Cllr D Cele	Ogqolweni

Senior Citizens Lunch: 4 December 2009

In recognition of senior citizens in Umdoni, Her Worship the Mayor Cllr NH Gumede, in conjunction with Standard Bank, hosted a Christmas lunch which was held on 4 December 2009 at Umzinto Town Hall. The lunch was in recognition of the valuable contributions made by senior citizens to both the Umdoni and the nation. Speaking at the lunch, Her Worship the Mayor Cllr NH Gumede said: “At Umdoni, we are grateful that we have many senior citizen forums and further, that there is active engagement among them. As a Municipality, we endeavour to support this fellowship and from time to time we commit to continued engagements with the senior citizens in Umdoni”.

The lunch was attended by representatives of senior citizen groups from all the nine wards in Umdoni, and was well received.



Official launch of the Fire and Disaster Management Centre: 27 October 2009

Umdoni Municipality championed the establishment of the Disaster Management Centre which is aimed at servicing communities who reside in the three municipalities located north of Ugu District: Umdoni Municipality, Umzumbe Municipality and Vulamehlo Municipality. The financial contributions made for this project are as follows:

Umdoni Municipality:	R8.5 million
Ugu District Municipality:	R3.8 million
Cogta:	R3 million

Besides serving as a fire station, it is an operational centre for managing any disaster that occurs in the Ugu North.

The Umdoni Fire and Disaster Management Centre was officially opened on 27 October 2009 by the Honorable MEC for Co-operative Governance and Traditional Affairs, Ms Nomusa Dube.

The Centre is an excellent example of good inter-governmental relations.



Graduation ceremony, Umzinto Dining Hall, 2 December 2009

A graduation ceremony was hosted by Her Worship the Mayor on 2 December 2009 for learners who participated in a programme which was funded by the Local Government Seta (LGSETA). The learners were honoured for successfully completing their studies in the field of Local Economic Development.

Out of a total of 16 learners who had been accepted to the course, Umdoni Municipality absorbed eight learners in the following positions:

- Secretary to GM Corporate Services (permanent position)
- Building Technician (Technical Services – month-to-month contract)
- Admin Assistant (Development of month-to-month contract)
- HR Admin Assistant (six-month contract)
- Experiential learning at community facilities
- Development of month-to-month contract
- Development of month-to-month contract
- Experiential learning: Finance Department – Procurement.

The commitment and support of the local private sector in absorbing some of the learners is applaudable.

IDP and Budget Road Shows: 21 April – 4 & 5 May 2010

In accordance with Chapter 4 of the Municipal Systems Act, Umdoni Municipality consulted with its public to obtain their inputs to the IDP and budget, and this was done in the form of roadshows.

These engagements were held in different areas:

Date	Area	Venue
21 April 2010	Amahlongwa: Ward 1	Amahlongwa Community Hall
21 April 2010	Scottburgh: Ward 5	Scottburgh Town Hall
4 May 2010	Amandawe: Ward 4	Amandawe Community Hall
5 May 2010	Umzinto: Ward 3	Umzinto Dining Hall
5 May 2010	Malangeni*: Ward 8	Malangeni MPCC

Matters raised at the above public consultations were tabled at Council for consideration.

Official opening of Scottburgh Town Hall – 17 June 2010

The Scottburgh Town Hall was refurbished after the public identified the need for a Scottburgh ‘facelift’. This official opening was held on 17 June 2010.





Civic reception in honour of Chloe Tryon – 7 April 2010

In keeping with the spirit of encouraging local talent, Her Worship the Mayor Cllr NH Gumede hosted a Civic Reception in honour of Chloe Tryon on 7 April 2010. Ms Tryon, at 16 years of age, had been selected to represent South Africa in the Women's Team to play in the ICC Women's 20/20 World Cup in the West Indies.

Ms Tryon was congratulated for reaching the milestone in her sporting career and for making Umdoni proud. A tribute was paid to all those who had made it possible for her to achieve this remarkable success, particularly her parents, schools and the Umdoni Cricket Union, who had given Ms Tryon the environment to realise her potential.

Highlights



Mayoral Dinner, Umdoni 1860 Legacy Foundation: 19 March 2010

In commemorating the arrival of Indians in South Africa, Her Worship the Mayor Cllr NH Gumede hosted a Mayoral Dinner. The dinner was held on 19 March 2010 at Umzinto Town Hall. The Honourable Minister of Economic Development Mr Y Patel delivered a keynote address at this event. Speaking at the dinner, Her

Worship the Mayor Cllr NH Gumede said that the role of the indentured labourers was unusual in that they toiled in the sugar cane fields to ensure that the industry thrived and is what it has become today.

From the early years, the Indian indentured labourers persevered in the face of much adversity and built communities. Umzinto and surrounds were one of the first areas of settlement and hence have communities which have grown through generations: Renishaw, Esperanza, Sezela, Ocean View, Sawoti, and many others.

The event was prepared in partnership with the Umdoni Legacy Foundation. The foundation was requested to document all the celebrations so that it may be a legacy for the future generations.

Community Outreach Programmes

Umdoni Municipality procured a Customer Care Van which is a mobile office meant to be used for community outreach programmes. The key concept of the Programme is to 'take services to the people'. Through this programme, the local sector departments provided their services to all communities who were visited.

Press articles and media briefing

In an effort to improve media relations, public participation, feedback and reporting, a total number of 47 press articles were published during the period under review. (The said publications are some of the means of improving communication between Umdoni and its communities and to keep the public informed of Council activities).

A media briefing session was convened in June 2010 to provide the media and the community with the progress made on the Disaster Rehabilitation Programme, which was as a result of the June 2008 floods, and to address any queries from the press on the implementation of the Disaster Rehabilitation Programme.

2010 FIFA World Cup activities



Like the rest of the country, Umdoni Municipality, in celebrating the 2010 FIFA Soccer World Cup, undertook various initiatives to raise awareness and market this historic event in order to ensure that our communities were also part of these celebrations. The following activities were undertaken:

- Flags of all the 32 participating countries were posted on Umdoni's streetlight poles, with a greater emphasis on the South African flag. Towns targeted were Umzinto, Park Rynie and Scottburgh.
- Concrete paving was laid in Umzinto (in front of Riverside Park) and Scottburgh (Blue Marlin entrance) with the following messages "Umdoni Behind Bafana" and "Umdoni Supports 2010", respectively.
- Scottburgh traffic circle was decorated with a soccer ball and the curbs were painted with the South African flag colours.
- The main office in Scottburgh was decorated with the flags of all the 32 participating countries.



Umdoni Municipality, in acknowledging that some of the communities in our area did not have facilities to watch the event, resolved to host public viewing areas for matches on the following dates:

Date	Venue	Match
11 June 2010	Malangeni Sports Ground (MPCC)	Opening ceremony and South Africa vs Mexico
16 June 2010	Emgwempisi Sport Ground	South Africa vs Uruguay
11 July 2010	Umzinto Sports Grounds	Closing ceremony and the final

Scottburgh 150th Celebration

The 150th Scottburgh celebrations were held throughout 2010 to celebrate the establishment and existence of Scottburgh. Her Worship the Mayor hosted a dinner in commemorating these celebrations. The Mayor paid tribute to the pioneer families Crookes, Arbuthnott and Hauksworth who contributed remarkably to the economic growth of Scottburgh from its establishment in 1860 to date.

The celebrations became an avenue to showcase the local towns and, in particular, Scottburgh, and the Tourism and 150th Committees were urged to work with the Municipality in positioning Umdoni for the benefit of future generations.

The celebration also gave Umdoni an opportunity to bring communities together and share in their cultural diversity.



HUMAN RESOURCES/ORGANISATIONAL STRUCTURE

The management team

Over the past financial year, the Human Resources section within Umdoni Municipality has improved in terms of its staff capacity. The department now comprises a HR Manager, a HR Officer and an HR Admin Assistant. As a department falling within the ambit of Corporate Services, we acknowledge that for HR to be able to perform at its peak within the Municipality, staffing capacity will have to increase in the near future to include experienced experts within the field of Human Resources.



Mr DD Naidoo
Municipal Manager



Mr XS Luthuli
General Manager Community Services



Mrs G Mavundla
General Manager: Corporate Services



Mr A Nunkumar
General Manager: Financial Services



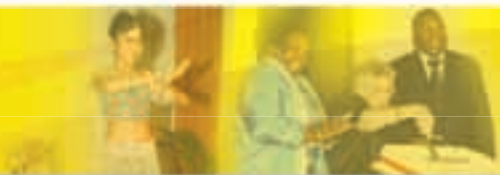
Mr V Chetty
General Manager: Technical Services



Ms EB Jaca
Senior Manager: Strategic Planning &
Development



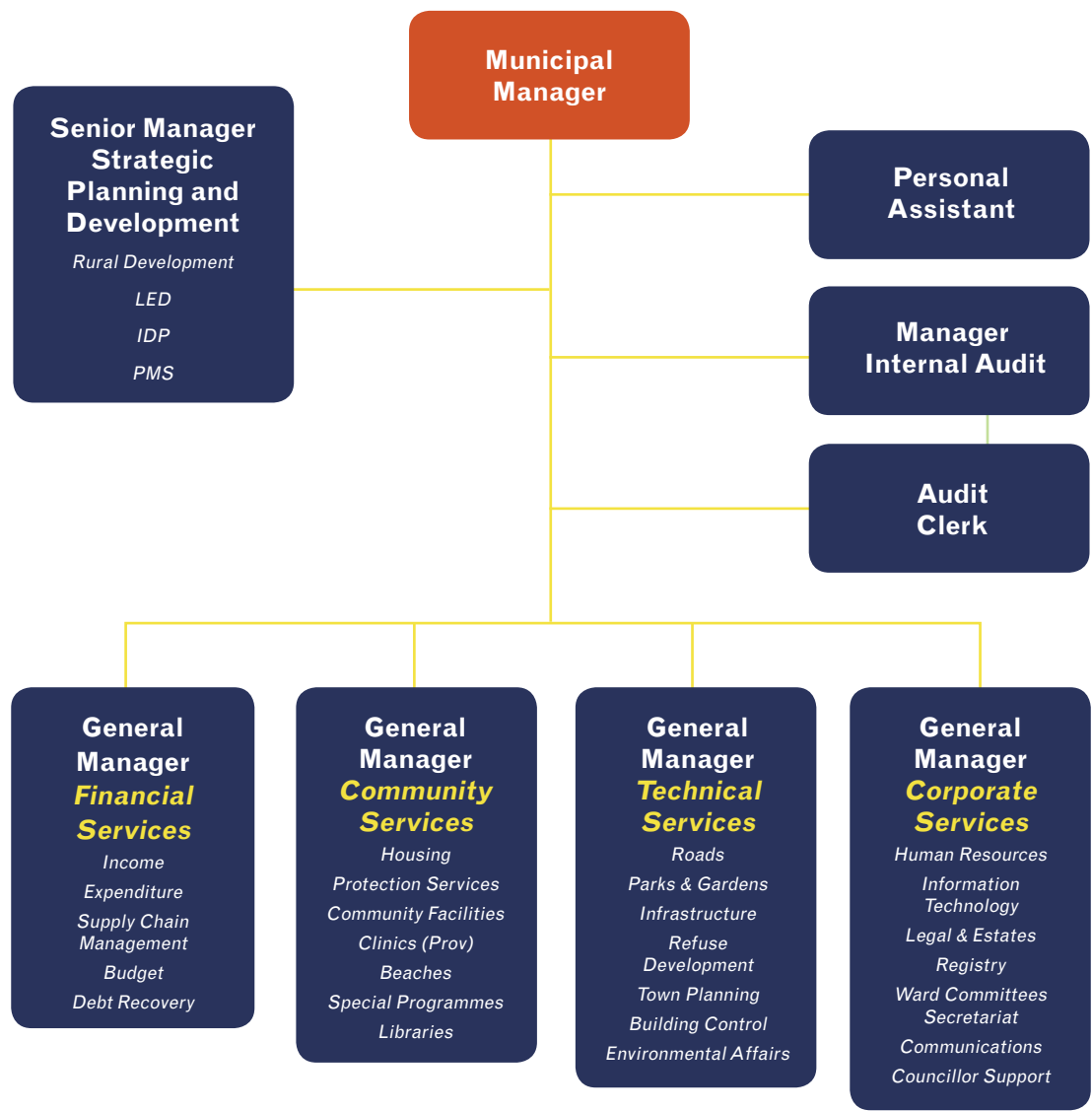
Mrs N Harisingh
Manager: Internal Audit



The main focus of the Human Resources department is to ensure efficient and effective service delivery, both to our internal and external customers and to ensure fairness, openness and transparency and an office environment where confidentiality is maintained at all times.

Organisational structure

The following organisational structure was approved by Council on 30 May 2007:



Staffing information

Recruitment and selection

The following key positions were filled by following the recruitment and selection process:

Key positions	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
GM Community Services	1								1
HR Manager	1								1
Project Manager			1						1
Senior Development Planner – Shared Services					1				1
Special Programmes Manager	1								1
Assistant Manager Debt Recovery							1		1
Procurement Clerk					1				1
Debtors Clerk			1						1
Secretary to GM Corporate Services					1				1
Computer Library Assistant	1								1
Librarian					1				1
Professional Nurse					1				1
Admin Assistant – Project Management Unit					1				1
Project Technician	1								1
Building Technician	1								1
Driver Operator – Refuse	2		1						3
Cashier			1						1
Driver – Corporate Services					1				1
Waste Management Clerk					1				1
Admin Assistant – Special Programmes	1								1
Superintendent Motor Vehicle Licensing and Test Centre				1					1
General workers	2								2
Total	11		4	1	8		1		25

Following the recruitment and selection procedure, a total of 25 positions were filled.



Resignations

Key positions	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professional					1		1	1	3
Community and Personal Service workers	2		1		1				4
Clerical and Admin					2				2
Technician and Trade	1								1
General workers	4								4
Total	7		1		4		1	1	14

The table below depicts comparisons of resignations/retirements over three financial years:

2009/2010	2008/2009	2007/2008
14	12	25

Dismissals

The table below depicts the comparisons of dismissals over three financial years:

2009/2010	2008/2009	2007/2008
3	0	0

Total staff establishment

The total staff establishment within Umdoni Municipality is as follows:

Permanent staff	Temporary staff	Fixed term contracts	Section 57	Councillors
372	75	24	5	18

The 372 permanent staff are distributed as follows throughout the various departments of the Municipality:

Permanent Staff	Department	Head of Department
213	Technical Services	Mr S Chetty – General Manager
108	Community Services	Mr X Luthuli – General Manager
23	Financial Services	Mr A Nunkumar – General Manager
21	Corporate Services	Mrs GN Mavundla – General Manager
7	Municipal Manager	Mr DD Naidoo – Municipal Manager



Certificate handover ceremony for specialist technical training held on 31 May 2010.

Staff breakdown per functional area

Occupational categories	Male				Female			
	African	Coloured	Indian	White	African	Coloured	Indian	White
Legislators, senior officials and managers	1		3		1			
Professionals	4		6	2	7		3	1
Technicians and associate professionals			1		2			
Clerks	13		13		27	1	18	9
Service and sale workers	15	2	6	4	9		5	
Craft and related trade workers	13		1					
Plant and machine operators and assemblers	19		5		1			
Elementary occupations	143	1	12		21		3	
Total permanent staff	208	3	47	6	68	1	29	10
Grand total	372							

Employment equity statistics – a comparative of 2009/2010, 2008/2009 and 2007/2008

The Employment Equity Report is developed and submitted annually at the end of October. Over the page is the statistics of different categories of staff for the financial year 2009/2010.



	2009/2010									
Occupational categories	Male				Female				African	
	African	Coloured	Indian	White	African	Coloured	Indian	White		
Top management			1							
Senior management	1		2		1					
Professionally qualified and experienced specialists	4		7		9		3	1	4	
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	41	2	20		36	1	23	9	26	
Semi-skilled and discretionary decision-making	19		5		1				29	
Unskilled and defined decision-making	143	1	12		21	3			146	
Total permanent	208	3	47		68	4	26	10	205	
Grand Total	372								358	

Training and skills development

According to the Skills Development Act, municipalities must submit the Workplace Skills Plan and Training report annually at 30 June each year. Umdoni Municipality successfully submitted its Workplace Skills Plan and Annual Training Report on 26 June 2010 to the Local Government Seta.

The following skills programmes were undertaken:

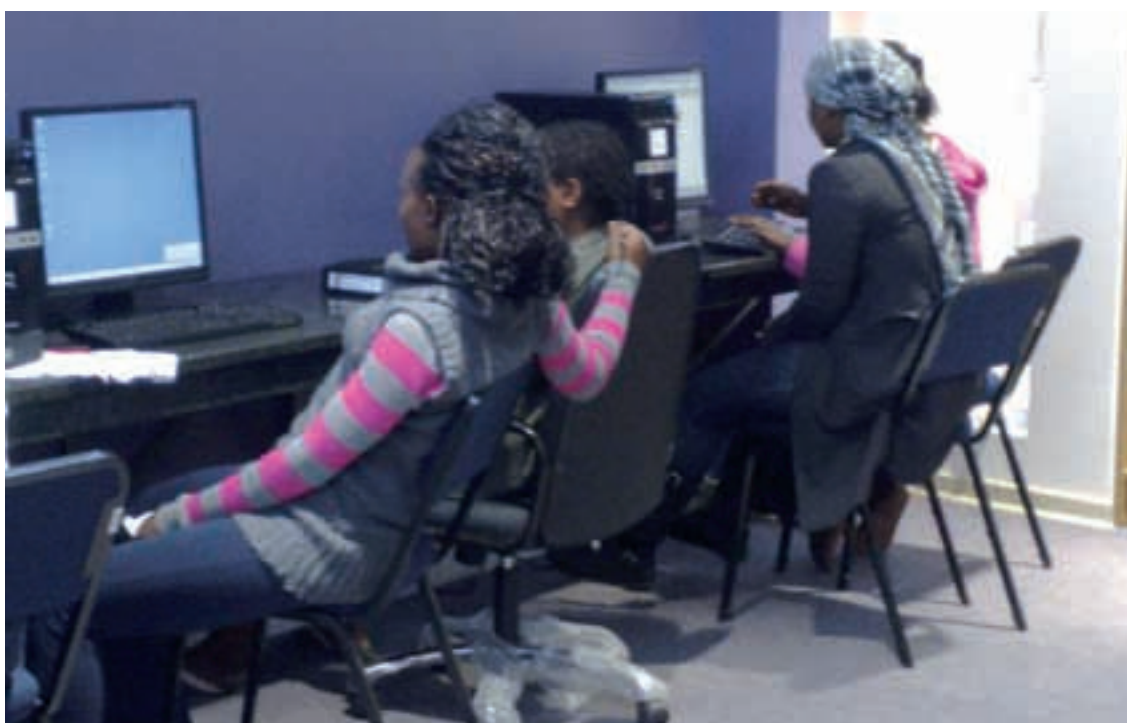
Skills programme	Total number of participants trained
ELMDP	3
Specialist technical training (roads and maintenance)	43
Driver's license training	1
Vehicle examiner training	1
Records and registry management	11
Local government accounting certificate – learnership	3
Customer service excellence in the public sector	10
Total	72
Councillors' training	Total number of participants trained
CPP (public participation and development workshop (course 1) HODs and Cllrs)	5
CPP (public participation and development workshop (course 2) HODs and Cllrs)	5
ELMDP	2

The training and development of staff within the Municipality is of the utmost importance as developed staff will ensure better, efficient and effective service delivery.

Liabilities

This section includes a reporting on the total number of staff injured on duty as well as CCMA cases that resulted in cost implications for the Municipality.

2008/2009								2007/2008							
Male				Female				Male				Female			
	Coloured	Indian	White	African	Coloured	Indian	White	African	Coloured	Indian	White	African	Coloured	Indian	White
										1					
		1				1				2		4			
		4		4		4	2	6		10		8		9	6
	1	20		34	1	21	8	25	1	15		34	1	18	5
	1	5						28		6					
		12		27		3		89	1	5		14		1	
	2	42		65	1	29	10	148	2	39		60	1	28	11
								293							



2009/2010	2008/2009
Staff injured on duty = 3	Staff injured on duty = 9
CCMA cases which resulted in cost implications for the Municipality = 3	CCMA cases which resulted in cost implications for the Municipality = 1

Trend of personnel expenditure: 2009/2010 financial year

Total salaries budget allocated to Human Resources department	R409 393
Total operating costs	R1 379 144
Total budgeted expenditure	R1 387 144

Disclosures concerning Councillors, directors and senior officials

Note on staff costs

Below follows a summary of employee costs for the 2009/2010 financial year. For further details, refer to Note 25 and 26 of the Annual Financial Statements.

Staff	2009/2010	2008/2009
Actual	49 073 950	42 688 730
Budget	45 204 178	38 628 025
Variance	3 869 772	4 060 705
Percentage variance	9%	11%
Councillors	2009/2010	2008/2009
Actual	4 396 181	3 844 296
Budget	4 453 000	3 945 000
Variance	(56 819)	(100 703)
Percentage variance	(1%)	(3%)

Pension fund for Councillors and officials

Name of pension fund	Number of staff
Superannuation	63
Retirement	50
Provident	233
SALA	3
GEPP	1

Ten Councillors belong to the Municipal Councillors' Pension Fund and contribution by Councillors to the fund is 100%.

Medical aid membership of staff and Councillors

Name of medical fund	Number of staff and Councillors per medical aid
Bonitas	45
Hosmed	66
KeyHealth	11
LA Health	6
SAMWU – MED	15
PARMED	1

Chapter 4

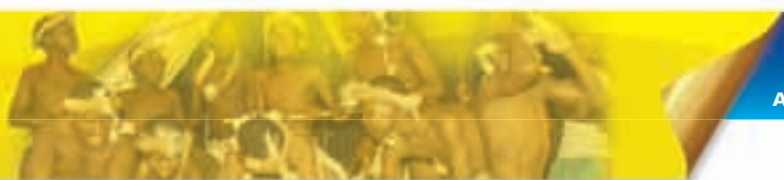
AUDITED FINANCIAL STATEMENTS AND RELATED INFORMATION

for the year ended 30 June 2010

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Certification of Annual Financial Statements

I am responsible for the preparation of these annual financial statements, which are set out on pages 44 to 101 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in Note 26 of these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act, (Act No. 20 of 1998) and the Minister of Provincial and Local Government's determination in accordance with this Act.



DD NAIDOO
MUNICIPAL MANAGER
UMDONI MUNICIPALITY

19 August 2010

Report of the Auditor-General

Report on the financial statements

Introduction

1. I have audited the accompanying financial statements of the Umdoni Municipality, which comprise the statement of financial position as at 30 June 2010, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 44 to 89.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa 2009 (Act No. 12 of 2009) (DoRA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Umdoni Municipality as at 30 June 2010, and its financial performance and its cash flows for the year then ended in accordance with SA Standards of GRAP and in the manner required by the MFMA and DoRA.

Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Unauthorised expenditure

9. As disclosed in note 36 to the financial statements, unauthorised expenditure to the amount of R12, 307 million was incurred, as the total budget was exceeding.

Irregular expenditure

10. As disclosed in note 36 to the financial statements, irregular expenditure to the amount of R218 027 was incurred, as supply chain management regulations were not adhered to.

Additional matters

11. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Unaudited supplementary schedules

12. The supplementary information set out on pages 90 to 101 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

Report on other legal and regulatory requirements

13. As required by the PAA and in terms of *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*, I include below my findings on the report on predetermined objectives, compliance with the following key laws and regulations Local Government: Municipal Finance Management Act, Municipal Regulations (Regulations – GRN/GN), Division of Revenue Act of South Africa, 2009 (Act No. 12 of 2009) (DoRA), Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA), Municipal Structures Act, 1998 (Act No. 117 of 1998), and financial management (internal control).

Predetermined objectives

14. Material findings on the report on predetermined objectives, as set out on pages 222 to 239, are reported below:

Non-compliance with regulatory and reporting requirements

Local Government: Municipal Systems Act

15. There was no community participation in the review of appropriate key performance indicators and targets as required by section 42 of the Municipal System's Act.

Local Government: Municipal Finance Management Act

16. Section 53(1)(c)(ii) of MFMA requires that the municipality's service delivery budget implementation plan is approved by the mayor within 28 days of the approval of the budget. This section was not complied with.

Usefulness of reported performance information

The following criteria were used to assess the usefulness of the planned and reported performance:

- **Consistency:** Has the municipality reported on its performance with regard to its objectives, indicators and targets in its approved integrated development plan, i.e. are the objectives, indicators and targets consistent between planning and reporting documents?
- **Relevance:** Is there a clear and logical link between the objectives, outcomes, outputs, indicators and performance targets?
- **Measurability:** Are objectives made measurable by means of indicators and targets? Are indicators well defined and verifiable, and are targets specific, measurable, and time bound?

The following audit findings relate to the above criteria:

Measures not well defined

17. Indicators/measures do not have clear, unambiguous definitions to allow for data to be collected consistently.

Compliance with laws and regulations

Local Government: Municipal Finance Management Act

Unauthorised expenditure

18. The accounting officer did not take steps to prevent unauthorised expenditure as required by section 62(1)(d) of the MFMA.

Expenditure was incurred in contravention of or not in accordance with applicable legislation resulting in irregular expenditure

19. Irregular expenditure as defined in section 1 of the MFMA, was incurred due to non compliance with section 12 of the Municipal Supply Chain Management Regulations relating to procurement processes.

The financial statements were not prepared in accordance with applicable legislation

20. Contrary to the requirements of section 122(1)(a) of the MFMA, the municipality made material adjustments to the annual financial statement that was submitted for audit. These misstatements related to the disclosure of unauthorised expenditure and expenditure incurred in terms of section 36 of the Municipal Supply Chain Management Regulations.

No risk assessment for the financial year

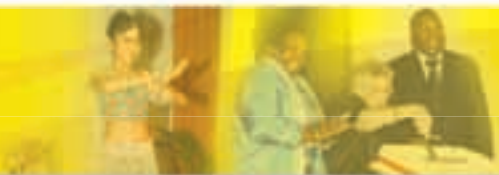
21. A risk assessment was not prepared by the municipality in terms of section 62(1)(c)(i) of MFMA.

Tabled budget not accompanied by performance objectives

22. The budget of the municipality was not tabled with measurable performance objectives for revenue as required by section 17(3)(b).

Internal control

23. I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives as well as compliance with the MFMA, but not for the purpose of expressing an opinion on the effectiveness of internal control.
24. The matters reported below are limited to the significant deficiencies regarding the findings on the report on predetermined objectives and the findings on compliance with laws and regulations.



Leadership

25. The accounting officer has exercised oversight responsibility over reporting and compliance with laws and regulations and internal control, however the controls in the area of irregular and unauthorised expenditure has been noted to be weak and needs immediate attention.

Financial and Performance Management

26. The financial statements were not sufficiently reviewed for accuracy and compliance before submission for audit.

Other reports

Investigations

27. Disciplinary cases were brought against four employees during the year. This resulted in two dismissals and two written warnings. Two other cases also involving employee discipline were in progress as at year end.

Auditor - General

Pietermaritzburg
30 November 2010



Plan of corrective measures: final (draft) audit report for the year 2009-2010

Plan of corrective measures by the respective departments to address findings raised by the Auditor-General in the Audit Report (final draft): FY 2009-10.

Regularity Audit

Category	Ref.	Findings	Action plan	Person resp.	Due date
Unauthorised expenditure	10	As disclosed in note 36 to the financial statements, unauthorised expenditure to the amount of R12 307 million was incurred, as the total budget was exceeding	This unauthorised expenditure was as a result of two predominate factors: 1) Non-cash depreciation being higher than budgeted. 2) Transfer of the disaster management grant of R 7.8 million to Ugu for the Park Rynie Industrial Park. However, to avoid a re-occurrence of this matter in respect of operational items the weekly unauthorised expenditure reports shall be issued to MANCO and amended to include a 'response from responsible HOD' column	GMFS (MBC)	30 June 2011
Irregular expenditure	11	As disclosed in note 36 to the financial statements, irregular expenditure to the amount of R218 027 was incurred, as supply chain management regulations were not adhered to	The root causes of the irregular expenditure has been identified and additional control measures have been developed. The quarterly reporting to council shall be augmented to include monthly reporting to MANCO and monthly reporting to F an A is being considered Further, HODs shall be required to sign off on all monthly reports to ensure accuracy and completeness	GMFS, All HODs	March 2011
Unauthorised expenditure	20	The accounting officer did not take steps to prevent unauthorised expenditure as required by section 62(1)(d) of the MFMA	The accounting officer has implemented steps, e.g. annual verification of unauthorised expenditure by HODs and budget workshops, however, additional control measures shall have been implemented as detailed in the point above	GMFS: All HODs	March 2011
Irregular expenditure	21	Irregular expenditure as defined in section 1 of the MFMA, was incurred due to non-compliance with section 12 of the Municipal Supply Chain Management Regulations relating to procurement processes	Reference to the second point above for the detailed response	GMFS: All HODs	March 2011
Unauthorised expenditure	22	Contrary to the requirements of section 122(1)(a) of the MFMA, the Municipality made material adjustments to the annual financial statement that was submitted for audit These misstatements related to the disclosure of unauthorised expenditure and expenditure incurred in terms of section 36 of the Municipal Supply Chain Management Regulations	The measures, in effect, in the previous financial year, did not identify these areas of unauthorised expenditure. The additional controls implemented in terms the above shall prevent a re-occurrence The matters relating to section 36 are as a result of interpretation differences of the Supply Chain Regulations. Now that the areas of ambiguity have been resolved, this matter shall not be repeated	GMFS: All HODs	30 June 2011

Category	Ref.	Findings	Action plan	Person resp.	Due date
Risk assessment	23	A risk assessment was not prepared by the Municipality in terms of section 62(1)(c)(i) of MFMA	In line with the phased in approach of risk management within Umdoni, the 2009/2010 year risk register was developed after a review of the previous year's risk register With the establishment of a risk management committee, this risk register is currently undergoing a <i>de novo</i> review to ensure it meets the current needs of the municipality. This shall be completed for the 2010/2011 financial year	GMFS: All HODs	Once-off event
Tabled budget not accompanied by performance objectives	24	The budget of the Municipality was not tabled with measurable performance objectives for revenue as required by section 17(3)(b)	The budget for the 2010/2011 financial year has been prepared in conjunction with the IDP and SDBIP. As such, the performance objects permeate throughout these documents in the 2010/2011 year	GMFS (MBC)	1 July 2010
Irregular & unauthorized expenditure	27	The accounting officer has exercised oversight responsibility over reporting and compliance with laws and regulations and internal control, however, the controls in the area of irregular and unauthorised expenditure has been noted to be weak and needs immediate attention	Additional controls to mitigate the resurgence of this matter has been detailed in the points above	GMFS: All HODs	March 2011
Non – compliance and accuracy	28	The financial statements were not sufficiently reviewed for accuracy and compliance before submission for audit	This statement is due to the adjustments processed in relation to irregular, fruitless and unauthorised expenditure Due to the additional identification methods implemented, the additional disclosure required in the 2009/2010 year shall not re-occur	GMFS	30 June 2011

Performance Audit

Category	Ref.	Findings	Action plan	Person resp.	Due date
Municipal Systems Act	16	There was no community participation in the review of appropriate key performance indicators and targets as required by section 42 of the Municipal System's Act	The indicators and targets were presented in the IDP Rep Forum that was held on 11 March 2011 and the IDP will also be advertised for public comments where indicators and targets will be part of the document	OMM (Snr. Man. Strategic Planning & Development)	30 June 2011
Municipal Finance Management Act	17	Section 53(1)(c)(ii) of MFMA requires that the Municipality's service delivery budget implementation plan is approved by the Mayor within 28 days of the approval of the budget This section was not complied with Usefulness of reported performance information The following criteria were used to assess the usefulness of the planned and reported performance: <i>Consistency:</i> Has the Municipality reported on its performance with regard to its objectives, indicators and targets in its approved integrated development plan, i.e. are the objectives, indicators and targets consistent between planning and reporting documents? <i>Relevance:</i> Is there a clear and logical link between the objectives, outcomes, outputs, indicators and performance targets? <i>Measurability:</i> Are objectives made measurable by means of indicators and targets? Are indicators well defined and verifiable, and are targets specific, measurable, and time bound? Indicators/measures do not have clear, unambiguous definitions to allow for data to be collected consistently Reliability of reported performance information The following criteria were used to assess the reliability of the planned and reported performance: <i>Validity:</i> Has the actual reported performance occurred and does it pertain to the entity i.e. can the reported performance information be traced back to the source data or documentation? <i>Accuracy:</i> Amounts, numbers and other data relating to reported actual performance has been recorded and reported appropriately <i>Completeness:</i> All actual results and events that should have been recorded have been included in the reported performance information	The Municipality will again ensure compliance for 2011/2012 as it had complied for 2010/2011 and as the SDBIP will be adopted within 28 days of the adoption of the budget The strategic plan session has transpired on the 3 and 4 March 2011	OMM (Snr. Man. Strategic Planning and Development)	30 June 2011
Reported performance information not reliable	18	Reliability of reported performance information The following criteria were used to assess the reliability of the planned and reported performance: <i>Validity:</i> Has the actual reported performance occurred and does it pertain to the entity i.e. can the reported performance information be traced back to the source data or documentation? <i>Accuracy:</i> Amounts, numbers and other data relating to reported actual performance has been recorded and reported appropriately <i>Completeness:</i> All actual results and events that should have been recorded have been included in the reported performance information	Will endeavour for compliance in the 2011/2012 financial year	OMM (Snr. Man. Strategic Planning and Development)	30 June 2011
Reported performance information not reliable	24	The budget of the Municipality was not tabled with measurable performance objectives for revenue as required by section 17(3)(b)	Will endeavour for compliance in the 2011/2012 financial year	OMM (Snr. Man. Strategic Planning and Development)	30 June 2011

Statement of Financial Position

as at 30 June 2010

	Notes	2010	2009
		R	R
NET ASSETS AND LIABILITIES			
Net assets			
Accumulated surplus	1	246 985 717	138 224 737
Housing Development Fund	2	31 623 553	34 302 931
		278 609 270	172 527 668
Non-current liabilities			
Long term liabilities	3	1 277 305	183 094
Provision for Post retirement medical benefits	4	11 453 412	7 810 606
Provision for Long service awards	5	739 130	590 228
Provision for Refuse site rehabilitation	6	2 804 850	2 449 500
Provision for Staff Leave	13	4 009 835	3 295 530
Other Provisions		–	–
		20 284 532	14 328 958
Current liabilities			
Current portion of long term liabilities	3	1 501 429	1 598 024
Current portion for liabilities for medical aid benefits	4	357 468	309 463
Current portion of liabilities for long service awards	5	204 832	232 778
Current portion of other provisions		–	234 000
Unspent conditional grants and receipts	9	268 222 347	360 793 714
Accounts Payable	8	24 753 190	10 357 209
Cash and cash equivalents	20	2 787 957	4 843 558
		297 827 223	378 368 746
TOTAL NET ASSETS AND LIABILITIES		596 721 025	565 225 372
ASSETS			
Non-current assets			
Property, plant and equipment	11,43	258 917 792	163 777 946
Investment property	12	197 000	197 000
Investments	14	–	–
Long-term receivables	15	–	–
		259 114 792	163 974 946

	Notes	2010	2009
		R	R
Current assets			
Current portion of long term receivables	15	–	4 279
Inventory	16	36 312	26 200
Consumer receivables	17	26 006 551	26 255 100
Other receivables	18	12 836	3 091 096
VAT	19	7 474 131	5 724 654
Short term investments	14	302 613 221	365 988 248
Cash and cash equivalents	20	1 463 182	160 849
		337 606 233	401 250 426
TOTAL ASSETS		596 721 025	565 225 372



Statement of Changes in Net Assets

for the year ended 30 June 2010

	Housing Development Fund	Accumulated surplus/ (deficit)	Total
	R	R	R
2009			
Balance as at 1 July 2008	36 609 231	111 422 903	148 032 134
Surplus for the year	(241 806)	26 566 235	26 324 429
Assets disposals related to the housing operating account	(2 064 494)		(2 064 494)
Prior year adjustments		235 599	235 599
Balance as at 30 June 2009	34 302 931	138 224 737	172 527 668
2010			
Surplus for the year	9 264	109 151 636	109 160 900
Asset disposals related to the housing operating account	(2 688 641)		(2 688 641)
Prior year adjustments		(390 656)	(390 656)
Balance as at 30 June 2010	31 623 553	246 985 717	278 609 270

Detail on the movement of funds and reserves are set out in notes 1 and 2.

Statement of Financial Performance

for the year ended 30 June 2010

	Notes	Actual		Budget	
		2010	2009	2010	2009
		R	R	R	R
REVENUE					
Revenue from non-exchange transactions					
Property rates	21	45 473 217	42 751 526	45 349 868	43 357 392
Property rates – penalties and collection charges		2 995 973	3 565 530	2 600 000	2 951 160
Fines		889 640	748 302	1 689 670	524 000
Licences and permits		5 029 220	4 906 028	5 113 300	4 227 988
Government grants and subsidies	23	129 500 389	78 834 302	23 272 483	33 566 149
Rental of facilities and equipment		3 240 806	2 700 223	3 748 900	3 611 642
Public contributions and donations		–	21 251	–	26 489
Revenue from exchange transactions					
Service charges	22	6 319 417	6 226 015	6 270 334	6 358 215
Interest earned		22 329 410	8 967 453	7 033 500	3 003 118
Other income	24	3 552 913	2 156 068	3 370 986	3 942 074
Profit from the sale of Council property		–	3 612 036	–	4 700 000
TOTAL INCOME		219 330 985	154 488 734	98 449 040	106 268 227
EXPENDITURE					
Employee-related costs	25	49 073 950	42 688 731	45 204 178	38 628 025
Remuneration of Councillors	26	4 396 181	3 844 297	4 453 000	3 945 000
Depreciation	43	10 329 707	7 073 638	3 550 122	2 935 000
Repairs and maintenance		5 472 579	5 559 370	6 760 958	7 302 392
Interest paid	27	97 901	95 781	886 600	754 182
Contracted services	30	10 815 558	37 639 214	10 935 928	19 769 295
General expenses	31	26 564 900	19 435 780	20 510 203	20 316 079
Contributions to provisions	28	3 073 223	11 254 485	5 910 246	12 319 150
Refuse site rehabilitation	6	355 350	331 203	220 000	200 000
TOTAL EXPENDITURE		110 179 349	127 922 499	98 431 235	106 169 123
SURPLUS FOR THE YEAR		109 151 636	26 566 235	17 805	99 104



Cash Flow Statement

for the year ended 30 June 2010

		2010	2009
	Notes		Restated
		R	R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from (utilised in) operations	31	92 078 711	30 201 360
Interest received		22 329 410	8 946 549
Interest paid		(97 901)	(95 781)
Net cash from (utilised in) operating activities		114 310 220	39 052 128
CASH FLOWS FROM (UTILISED IN) INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(108 158 195)	(43 712 311)
Proceeds on disposal of property, plant and equipment		–	–
(Increase)/decrease in non-current receivables		–	1 566
(Increase)/decrease in non-current investments		–	47 853
CASH (UTILISED IN) GENERATED FROM INVESTING ACTIVITIES		(108 158 195)	(43 662 892)
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		997 617	(274 284)
Increase in liability for retirement and long service		(3 791 709)	(510 404)
Net cash generated from/(utilised in) financing activities		(2 794 092)	(784 688)
NET INCREASE (DECREASE) IN CASH EQUIVALENTS		3 357 933	(5 395 452)
Cash and cash equivalents			
Cash and cash equivalents at the beginning of the year	19	(4 682 709)	712 743
Cash and cash equivalents at the end of the year	19	(1 324 776)	(4 682 709)
		3 357 933	(5 395 452)

Accounting Policies

for the year ended 30 June 2010

1	BASIS OF PRESENTATION
	The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention, except where indicated otherwise
	The annual financial statements have been prepared in accordance with the Accounting Standards as prescribed by the Minister of Finance in terms of <i>Government Gazette number 31021</i> , Notice Number 516, dated 9 May 2008 and also in terms of the standards and principles contained in Directive 4 issued by the ASB in March 2009
	The Municipality has elected to early adopt the requirements of IAS 19 post retirement medical benefits and long service awards which was exempted in <i>Government Notice 522 of 29 June 2007</i>
	The accounting framework of the Municipality, based on the preceding paragraphs, is therefore as follows:
	GRAP 1 – Presentation of Financial Statements
	GRAP 2 – Cash Flow Statements
	GRAP 3 – Accounting Policies, Changes in Accounting Estimates and Errors
	GRAP 4 – Effects of Changes in Foreign Exchange Rates
	GRAP 5 – Borrowing Costs
	GRAP 6 – Consolidated and Separate Financial Statements
	GRAP 7 – Investments in Associates
	GRAP 8 – Interests in Joint Ventures
	GRAP 9 – Revenue from Exchange Transactions
	GRAP 10 – Financial Reporting in Hyper-inflationary Economies
	GRAP 11 – Construction Contracts
	GRAP 12 – Inventories
	GRAP 13 – Leases
	GRAP 14 – Events after the Reporting Date
	GRAP 16 – Investment Property
	GRAP 17 – Property, Plant and Equipment
	GRAP 18 – Segment Reporting
	GRAP 19 – Provisions, Contingent Liabilities and Contingent Assets
	GAMAP 9 – Paragraphs Relating to Revenue from Non-Exchange Transactions
	GRAP 100 – Non-Current Assets Held for Sale and Discontinued Operations
	GRAP 101 – Agriculture
	GRAP 102 – Intangible Assets
	IPSAS 20 – Related Party Disclosure
	IPSAS 21 – Impairment of Non-Cash Generating Assets
	IFRS 3 – Business Combinations
	IFRS 7 – Financial Instruments: Disclosures
	IAS 19 – Employee Benefits
	IAS 32 – Financial Instruments: Presentation
	IAS 36 – Impairment of Assets
	IAS 39 – Financial Instruments: Recognition and Measurement
	Directive 4 – Transitional provisions for medium and low capacity municipalities



Accounting Policies

as at 30 June 2010

1.1	Changes in accounting policy and comparability
	Accounting policies have been consistently applied, except where otherwise indicated below:
	For the year ended 30 June 2009 the Municipality has adopted the accounting framework as set out in point 1 above, except as excluded by Directive 4. The details of any resulting changes in accounting policy and comparative restatements are set out below.
	The Municipality changes an accounting policy only if the change:
	(a) is required by a Standard of GRAP; or
	(b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the performance or cash flow
2	PRESENTATION OF CURRENCY
	The annual financial statements are presented in South African Rand, rounded off to the nearest Rand which is the Municipality's functional currency
3	GOING CONCERN ASSUMPTION
	The annual financial statements are prepared on a going concern basis
4	HOUSING DEVELOPMENT FUND
	The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from National and Provincial Government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to the Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund
	In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the Municipal area subject to the approval of the Provincial MEC responsible for housing
5	PROPERTY, PLANT AND EQUIPMENT
	In terms of ASB Directive 4, the Municipality need not comply with the measurement requirements of GRAP 17 for the years ending 30 June 2009 and 2010 but must comply with the measurement requirements for the year ending 30 June 2011. The Municipality elects to apply ASB Directive 4 for its investment properties and does not measure its property, plant and equipment for the above-mentioned period
5.1	Initial measurement
	Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year
	The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and if the cost or fair value of the item can be measured reliably
	Property, plant and equipment are initially recognised at cost on their acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located
	When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment
	Where an asset is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired

The cost of an item of property, plant and equipment acquired in exchange for non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up

Major spare parts and servicing equipment qualify as property, plant and equipment when the Municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment

However, for the year ended 30 June 2009, the Municipality has applied the exemptions as indicated in Directive 4

5.2 Subsequent measurement

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component

When revalued assets, if any are sold or retired, the amounts included in the revaluation reserve in respect of those assets, are transferred to accumulated surplus or deficit

Compensation from third parties for items of property, plant and equipment that were impaired, lost or forgone is included in surplus or deficit when the compensation becomes receivable

5.3 Depreciation

Land is not depreciated as it is regarded as having an infinite life. Depreciation on assets other than land is calculated on cost, using the straight line method, to allocate their cost or revalued amounts to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the Municipality. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciation rates are based on the following estimated useful lives.

Depreciation only commences when the asset is available for use, unless stated otherwise

Infrastructure	Years
Roads and paving	30
Pedestrian malls	30
Electricity	20-30
Housing	30
Community	
Buildings	30
Recreational facilities	20-30
Security	5
Other	
Buildings	30
Specialist vehicles	10
Other vehicles	5
Office equipment	3
Furniture and fittings	7-10
Watercraft	15



Accounting Policies

as at 30 June 2010

Bins and containers	5
Specialised plant and equipment	10-15
Other items of plant and equipment	2-5
Landfill sites	15
5.4 Work in progress	
Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use	
5.5 Infrastructure assets	
Infrastructure assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at cost less accumulated depreciation and accumulated impairment. Infrastructure assets are treated similarly to all other assets of the Municipality	
6 INVENTORIES	
6.1 Initial recognition	
Inventories comprise consumable stores. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition	
Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired	
7 ACCOUNTS RECEIVABLE	
Accounts receivable are stated in the annual financial statements at the value of billings to consumers/ratepayers, less deductions for rebates granted less a provision for doubtful accounts	
Provision for doubtful accounts is made, based on a review of outstanding amounts at the financial year end. Contributions to the provision are calculated by analysing specific debts deemed doubtful of recovery, prior year's experience, correspondence with the Council's attorneys, the debt collection policy and management's best estimate of recoveries expressed as a percentage	
Bad debts are written off in the period that they are identified. Amounts that are receivable within one year are classified as current assets	
8 ACCOUNTS PAYABLE	
Accounts payable are stated in the annual financial statements at the amounts due to trade and other creditors for goods or services received	
9 REVENUE RECOGNITION	
9.1 General	
Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Municipality's activities	
The Municipality recognises revenue when the amount of revenue can be reliably measured. It is probable that future economic benefits will flow to the Municipality and when specific criteria have been met for each of the Municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the transaction have been resolved. The Municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement	
Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered/goods sold, the value of which approximates the consideration received or receivable	
10 REVENUE FROM EXCHANGE TRANSACTIONS	
10.1 Service charges	
Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month	

10.2 Finance income	
	Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment
10.3 Tariff charges	
	Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licenses and permits
11 REVENUE FROM NON-EXCHANGE TRANSACTIONS	
11.1 Rates and taxes	
	Revenue from property rates is recognised in terms of the Municipal Property Rates Act and the Municipal Rates Policy.
11.2 Other donations and contributions	
	Donations are recognised on a cash receipts basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are available for use
12 GOVERNMENT GRANTS AND RECEIPTS	
	Income received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised
	Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Municipality with no future related costs are recognised in the Statement of Financial Performance in the period in which they become receivable
	The Municipality accounted for government grants and receipts in the previous financial year in accordance with the requirements of IAS 20.24 and .26, GAMAP 12.8, GAMAP 17.25 and GAMAP 9.42 – .46, as appropriate. For the financial year ended 30 June 2009, the Municipality accounted for government grants and receipts for the year ended 30 June 2009 (and retrospectively, where practicable) in accordance with the requirements of GAMAP 9.42 – .46 and ASB Directives 3 and 5
13 PROVISIONS	
	Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the obligation
	Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses
	A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:
	(a) The Municipality has a detailed formal plan for the restructuring, identifying at least:
	- the business or part of a business concerned;
	- the principal locations affected;
	- the location, function, and approximate number of employees who will be compensated for terminating their services;
	- the expenditures that will be undertaken;
	- when the plan will be implemented.
	(b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it



Accounting Policies

as at 30 June 2010

14	CASH AND CASH EQUIVALENTS
	Cash includes cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value
15	UNAUTHORISED EXPENDITURE
	Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003)
16	IRREGULAR EXPENDITURE
	Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), the Public Office Bearers Act (Act No 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' supply chain management policies. Irregular expenditure excludes unauthorised expenditure
17	FRUITLESS AND WASTEFUL EXPENDITURE
	Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance
18	RETIREMENT BENEFITS
	The Municipality provides retirement benefits for its employees. Contributions are made to the Natal Joint Municipal Pension Fund to fund the obligations for the payment of retirement benefits
	The Municipality provides post-retirement healthcare benefits to their retirees. The entitlement to these benefits are conditional on the employee remaining in service up to retirement age
19	DEPOSITS
	Deposits received by the Municipality are in terms of the approved tariff of charges by Council. These mainly relate to the use of community facilities and verge deposits, among others
20	LEASES
	Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred
	Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised as an expense in the Statement of Financial Performance
21	PRIOR YEAR COMPARATIVES
	Prior period comparatives are reclassified when the presentation or classification of items in the annual financial statements is amended
22	VALUE ADDED TAXATION
	The Municipality accounts for value added taxation on the cash basis, while the annual financial statements are prepared on the accrual basis of accounting
23	EVENTS AFTER THE REPORTING DATE
	Events after the reporting date that are classified as adjusting events have been accounted for in the annual financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the annual financial statements
24	RELATED PARTIES
	Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel are defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager

Notes to the Annual Financial Statements

for the year ended 30 June 2010

	2010	2009
	R	R
1 ACCUMULATED SURPLUS		
The following internal funds and reserves are ring-fenced within the accumulated surplus:		
- Government Grant Reserve	174 184 940	90 517 342
- Accumulated surplus due to the results of operations	72 800 777	47 707 395
Total Accumulated Surplus	246 985 717	138 224 737
The following illustrates the detail on the movement of internal funds and reserves during the financial period:		

	Government Grant Reserve	Accumulated surplus/ (deficit) due to results of operations	Total accumulated surplus/ (deficit)
	R	R	R
2009			
Balance as at 1 July 2008	60 772 740	50 650 163	111 422 903
Surplus for the year	–	26 566 235	26 566 235
Transfer of capital grant assets to Government Grant Reserve	32 431 028	(32 431 028)	–
Prior year adjustments	–	235 599	235 599
Offsetting of depreciation	(2 686 426)	2 686 426	–
Balance as at 30 June 2009	90 517 342	47 707 395	138 224 737
2010			
Balance as at 1 July 2009	90 517 342	47 707 395	138 224 737
Surplus for the year	–	109 151 636	109 151 636
Transfer of capital grant assets to Government Grant Reserve	88 799 530	(88 799 530)	–
Prior year adjustments	–	(390 656)	(390 656)
Offsetting of depreciation	(5 131 932)	5 131 932	–
Balance at 30 June 2010	174 184 940	72 800 777	246 985 717



Notes to the Annual Financial Statements

as at 30 June 2010 (continued)

	2010	2009
	R	R
2 HOUSING DEVELOPMENT FUND		
The Housing Development Fund contains all proceeds from housing developments, which include rental income and sales of houses. Monies standing to the credit of the Housing Development Fund are used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.		
Housing Development Fund	31 623 553	34 302 931
The Housing Development Fund is represented by the following assets and liabilities:		
- Housing fixed assets	13 338 204	16 026 846
- Housing rental receivables	8 878 329	8 774 309
- Investments – external	9 148 858	9 346 827
- Bank and cash	258 162	154 949
Total Housing Development Fund assets and liabilities	31 623 553	34 302 931
3 LONG TERM LIABILITIES		
Long term loans	2 089 694	889 695
Annuity loans	689 040	891 423
Total external loans	2 778 734	1 781 118
LESS: Current portion transferred to current liabilities (refer to Appendix A for more detail)	(1 501 429)	(1 598 024)
Total long-term liabilities	1 277 305	183 094
4 PROVISION FOR POST-RETIREMENT MEDICAL BENEFITS		
Post-employment health care benefit liability	11 810 880	8 120 069
Total: Post-retirement medical aid benefit liability	11 810 880	8 120 069
Less: Transfer to current provisions	(357 468)	(309 463)
Net post-employment health care benefit liability	11 453 412	7 810 606

	2010	2009
	R	R
The Municipality provides certain post retirement medical benefits by funding the medical aid contributions of certain retired members of the Municipality. According to the rules of the medical aid funds, with which the Municipality is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee.		
The most recent actuarial valuations of plan assets and the present value of the unfunded defined benefit obligation were carried out as at 30 June 2010 by a member of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. No other post-retirement benefits are provided by the Municipality.		
The post employment health care benefit plan is a defined benefit plan, of which the members are made up as follows:		
- In-service members	134	115
- Continuation members	20	19
Total	154	134
The liability in respect of past service has been estimated to be as follows:		
- In-service members	7 630 733	4 074 855
- Continuation members	4 180 147	4 045 214
- Recognised actuarial loss (prior year)	–	142 611
	11 810 880	8 262 680
Add: Unrecognised actuarial gain	–	2 885 184
	11 810 880	11 147 864
The Municipality makes monthly contributions for health care arrangements to the following medical aid schemes:		
- Bonitas		
- Global Health		
- LA Health		
- Samwumed		

Notes to the Annual Financial Statements

as at 30 June 2010 (continued)

	2010	2009
	R	R
The future service cost for the ensuing year is established to be R649 465, whereas the interest-cost for the next year is estimated to be R1 078 459 (2009: R 273 244 and R 730 496 respectively)		
The principal assumptions used for the purposes of the actuarial valuations were as follows:		
Discount rate	9.22	9.13
Health care cost inflation rate	7.22	7.80
Net effective discount rate	1.87	1.24
Expected retirement age – females	55	55
Expected retirement age – males	55	55
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	14 772 809	11 147 864
Fair value of plan assets	–	–
	14 772 809	11 147 864
Recognised actuarial loss	(2 961 929)	(142 611)
Unrecognised actuarial gain	–	(2 885 184)
Benefit liability	11 810 880	8 120 069
The amount recognised in the Statement of Financial Performance under employee-related costs are as follows:		
Current service cost	373 244	417 041
Interest cost	730 496	1 053 293
Recognised actuarial loss (prior year)	2 819 318	142 611
Contribution to provision	112 826	55 579
	4 035 884	1 668 524
The movement in the defined benefit obligation over the year is as follows:		
Balance at beginning of year	8 120 069	6 732 470
Current service cost	373 244	417 041
Interest cost	730 496	1 053 293
Benefits paid	(345 073)	(280 925)

	2010	2009
	R	R
Contribution to provision	112 826	55 579
Recognised actuarial loss – prior year	2 819 318	142 611
Balance at end of year	11 810 880	8 120 069
The effect of a 1 % movement in the assumed rate of health care cost inflation is as follows:		
Increase		
Effect on the aggregate of the current service cost and the interest cost	1 292 600	1 713 200
Effect on the defined benefit obligation	8 832 000	9 253 000
Decrease		
Effect on the aggregate of the current service cost and the interest cost	951 100	1 272 800
Effect on the defined benefit obligation	6 642 000	7 240 000
The Municipality expects to make a contribution of R1 370 456 (2009: R 4 035 884) to the defined benefit plans during the next financial year.		
5 LONG SERVICE AWARDS AND RETIREMENT GIFTS		
Provision for long service awards	943 962	823 006
Total provision for long service awards	943 962	823 006
Less: Transfer to current provisions	(204 832)	(232 778)
Net long service awards liability	739 130	590 228
A long-service award is granted to Municipal employees after the completion of fixed periods of continuous service with the Municipality (which includes their uninterrupted service with the former local authorities amalgamated in December 2000 to become Umdoni Municipality). The provision represents an estimation of the awards to which employees in the service of the Municipality at 30 June 2010 may become entitled to in future, based on an actuarial valuation performed at that date.		



Notes to the Annual Financial Statements

as at 30 June 2010 (continued)

	2010	2009
	R	R
The most recent actuarial valuations of plan assets and the present value of the unfunded defined benefit obligation were carried out as at 30 June 2010 by a member of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. No other long service benefits are provided by the Municipality.		
The long service awards plans are defined benefit plans. As at year end, 341 employees were eligible for long service awards.		
The future service cost for the ensuing year is estimated to be R159 321, whereas the interest-cost for the next year is estimated to be R66 013.		
The principal assumptions used for the purposes of the actuarial valuations were as follows:		
Discount rate	8.68%	8.90%
Expected rate of salary increase	6.06%	6.62%
Net effective discount rate	2.48%	2.14%
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	820 049	752 721
Fair value of plan assets		–
	820 049	752 721
Unrecognised past service cost		–
Recognised actuarial loss	123 912	70 285
Net liability	943 961	823 006
The amount recognised in the Statement of Financial Performance under employee-related costs are as follows:		
Current service cost	157 437	139 157
Interest cost	66 013	72 915
Actuarial loss	123 912	70 285
Actuarial losses unrecognised in prior year	(21 066)	(19 955)

	2010	2009
	R	R
Total included in employee-related costs	326 296	262 402
The movement in the defined benefit obligation over the year is as follows:		
Balance at beginning of year	823 006	790 083
Current service cost	157 437	139 157
Interest cost	66 013	72 915
Benefits paid	(205 341)	(229 479)
Actuarial losses unrecognised in prior year	(21 066)	(19 955)
Actuarial losses recognised	123 912	70 285
Balance at end of year	943 961	823 006
The effect of a 1 % movement in the assumed rate of salary inflation is as follows:		
Increase		
Effect on the aggregate of the current service cost and the interest cost	234 808	221 557
Effect on the defined benefit obligation	1 122 000	897 000
Decrease		
Effect on the aggregate of the current service cost and the interest cost	213 143	203 429
Effect on the defined benefit obligation	1 018 000	817 000
6 REFUSE SITE REHABILITATION		
In terms of the licencing of the landfill refuse sites, Council will incur rehabilitation costs of R2.4 million determined at present value, to restore the sites. Provision has been made for an amount based on the present value of cost.		
The costs of rehabilitating the refuse site have been estimated by the Council's consulting engineers who control the operations carried out by the service provider. Council has to submit a rehabilitation plan to the Department of Water Affairs and Forestry six months prior to closing the site.		
Opening balance	2 449 500	2 118 297
Charged to statement of financial performance	355 350	331 203
Closing balance	2 804 850	2 449 500



Notes to the Annual Financial Statements

as at 30 June 2010 (continued)

7	MULTI EMPLOYER RETIREMENT BENEFITS
	Umdoni Municipality makes provision for post-retirement benefits to eligible Councillors and employees, who belong to different pension schemes
	All full-time employees belong to the KwaZulu-Natal Joint Municipal Pension Fund, which is made up of the Retirement, Superannuation and Provident Funds
	These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes
	All of these afore-mentioned funds are multi-employer plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below
	Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:
	(i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers
	(ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer
	(iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers
	It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer
	The only obligation of the Municipality with respect to the retirement benefit plans is to make the specified contributions. Where Councillors/employees leave the plans prior to full vesting of the contributions, the contributions payable by the Municipality are reduced by the amount of forfeited contributions
	The total expense recognised as per the Pension Fund Statement of Financial Performance of R13,9 million (2008: R12.6 million) represents contributions payable to these plans by the Municipality at rates specified in the rules of the plans. These contributions have been expensed
	The retirement funds have been valued by making use of the Discounted Cash Flow Method of valuation. For both the Superannuation and Retirement Funds valuations, the Discontinuance Method Approach have been included as well
	DEFINED BENEFIT SCHEMES
	Retirement fund:
	The scheme is subject to a tri-annual actuarial valuation. The last statutory valuation was performed as at 31 March 2006
	The interim valuation performed as at 31 March 2008 revealed that the fund had a shortfall of R170.6 (31 March 2007: shortfall of R229.8) million, with a funding level of 90,2% (31 March 2007: 85,7%). The contribution rate, including the surcharges below, paid by the members (8,65%) and municipalities (29%) should be sufficient to eradicate the shortfall in the fund by 30 June 2010.
	The actuarial shortfall is taken into account by determining surcharges, to be met by increased contributions. These surcharges, of which 1,65% is paid by members, are as follows:
	– From 1 July 2006: 14%
	– From 1 July 2007: 17%
	This surcharge is payable until 1 July 2010. This position will be monitored on an annual basis.
	The fund has effectively been closed to new members and in order to allow for the improving pensioner mortality, an extension of the above-mentioned surcharge for another two years will be necessary.

Superannuation Fund:	
	The scheme is subject to a tri-annual actuarial valuation. The last statutory valuation was performed as at 31 March 2008.
	The statutory valuation performed as at 31 March 2008 revealed that the fund had a surplus of R111,8 (31 March 2007: surplus of R20,9) million, with a funding level of 102,6% (31 March 2007: 100,5%). The contribution rate paid by the members (9,25%) and municipalities (18,00%) is 1,27% less than the required contribution rate for future service and will be reviewed at the next interim valuation as at 31 March 2009 when the outcome of a possible merger with the Retirement Fund above will be known with more certainty.
	Although the fund has effectively been closed to new members, the fund was certified to be in a sound financial position as at 31 March 2008 on the DCF Method.
DEFINED CONTRIBUTION SCHEMES	
Municipal Councillors Pension Fund:	
	The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2006.
	The statutory valuation performed as at 30 June 2006 revealed that the fund had a funding ratio of 106.5%. The contribution rate paid by the members (13,75%) and Council (15,00%) is sufficient to fund the benefits accruing from the fund in the future.
	No further details could be provided for after the last valuation, being 30 June 2006.
Provident Fund:	
	The scheme is subject to a tri-annual actuarial valuation. The last statutory valuation was performed as at 31 March 2006.
	The interim valuation performed as at 31 March 2008 revealed that the market value of the fund was R604,7 (31 March 2007: R556,6) million. The contribution rate payable (either 5,00%, 7,00% or 9,25% by the member and 1,95 times the member's contributions by the employer), is sufficient to cover the cost of benefits and expenses and the fund was certified to be in sound financial condition as at 31 March 2008. The recorded deficit of R3,3 million (31 March 2007: Surplus) will be met from future investment earnings.



Notes to the Annual Financial Statements

as at 30 June 2010 (continued)

	2010	2009
	R	R
8 ACCOUNTS PAYABLE		
Trade creditors	11 060 116	4 730 287
Deposits	1 176 432	974 978
Payments received in advance	2 333 657	2 174 820
External loans interest – Pennington	90 599	90 599
Retention monies	9 772 292	2 087 148
Unidentified direct deposits	320 095	299 377
Total accounts payable	24 753 190	10 357 209
<p>The average credit period on purchases is 30 days from the receipt of the invoice (as determined by the MFMA). No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter, interest is charged in accordance with the credit policies of the various individual creditors that the Municipality deals with. The Municipality has financial policies in place to ensure that all payables are paid within the credit timeframe.</p>		
<p>Deposits are paid by members of the community on application for the hire of community halls and facilities, as stipulated in the tariff of charges. The deposits are repaid when the use of the community halls/facilities are completed, and an inspection has been executed to ensure that the facilities hired have been restored to their original condition, and no damage to property has occurred. In cases where the condition of the facilities have not been restored to their original condition or damage to the property is evident, Council can utilise the deposit as payment to rectify the facilities to its original condition or to restore any damage to the property.</p>		
No interest is paid on consumer deposits held.		
9 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
<u>Conditional grants from other spheres of Government:</u>		
Provincial grants	1 746 059	1 564 014
Ugu District Municipality	842 311	1 225 326
National Treasury	265 225 793	357 739 154
Development Bank of SA Ltd	–	14 620
European Union Funding	153 860	153 861
Other grants	254 324	96 739
Total conditional grants from other spheres of Government	268 222 347	360 793 714
10 OPERATING LEASES		
<u>The Municipality as lessee</u>		
Leasing arrangements:		

	2010	2009
	R	R
At the reporting date the Municipality had outstanding commitments under non-cancellable operating leases, which fall due as follows:		
Up to 1 year	394 585	262 572
1 to 5 years	182 360	240 895
More than 5 years	110	110
Total operating lease arrangements	577 055	503 577
Included in the above mentioned operating lease payments are the following major classes of leases, which are only significant collectively:		
- Electronic equipment	490 190	345 816
- Vehicles	74 427	143 130
- Properties	12 438	14 631
	577 055	503 577
<u>The Municipality as lessor</u>		
Leasing arrangements:		
At the reporting date, the Municipality had outstanding receipts in terms of operating leases, which will accrue as follows:		
Receivable within 1 year	1 911 899	1 564 641
Receivable within 2-5 years	3 030 736	6 093 651
Receivable after 5 years	169 667	570 716
Total operating lease arrangements	5 112 302	8 229 008
Included in the above mentioned operating lease receivables are the following major classes of leases, which are only significant collectively:		
- Land	5 112 302	8 229 008
	5 112 302	8 229 008
11 PROPERTY, PLANT AND EQUIPMENT		
The Municipality has adopted the transitional arrangements as set out in Directive 4, released by the Accounting Standards Board in February 2008. This involves the recognition of all assets under the ownership of the Municipality, but not necessarily the measurement of such assets.		
The Municipality is currently in the process of itemising all infrastructure and other assets. Depreciation on assets is calculated on an average basis of useful life for each category.		



Notes to the Annual Financial Statements

as at 30 June 2010 (continued)

	2010	2009
	R	R
The Municipality also owns certain library books. In accordance with the transitional provisions of GRAP 17 read in conjunction with Directive 4, these have been valued at a provisional value of 10 c in our financial records.		
No property, plant and equipment have been pledged to secure borrowings of the Municipality. See also Note 43.		
12 INVESTMENT PROPERTY		
The Municipality has adopted the transitional arrangements as set out in Directive 4, released by the Accounting Standards Board in February 2008. This involves the recognition of all assets under the ownership of the Municipality, but not necessarily the measurement of such assets.		
Analysis of investment property is as follows:		
Reconciliation of carrying value		
Carrying values at 1 July 2009	197 000	197 000
Cost/revaluation	197 000	197 000
Cost	197 000	197 000
Revaluation	–	–
Prior year adjustments	–	–
Acquisitions	–	–
Increases/(decreases) in revaluation	–	–
Carrying value of disposals	–	–
Cost/revaluation	–	–
Impairment losses	–	–
Other movements	–	–
Carrying values at 30 June 2010	197 000	197 000
Represented by		
Cost/revaluation	197 000	197 000

	2010	2009
	R	R
Carrying values at 30 June 2010	197 000	197 000
13 PROVISION FOR STAFF LEAVE		
Balance at beginning of the year	3 295 530	2 125 755
Contributions (decrease) to provision	1 081 843	1 359 694
Actual leave paid for the year	(367 538)	(189 919)
Balance at end of year	4 009 835	3 295 530
14 INVESTMENTS		
<i>Council's unlisted investments</i>		
Long-term deposits with Standard Bank of SA Ltd	–	–
Total long term investments	–	–
<i>Short term investments</i>		
Notice deposits	302 613 221	365 988 248
Standard Bank of SA Ltd	171 734 865	340 477 965
Absa	103 668 116	1 067
Nedbank	14 732 374	13 815 414
First National Bank	12 476 746	11 692 682
Investec Bank	1 120	1 120
Total short term investments	302 613 221	365 988 248
Total investments	302 613 221	365 988 248
Council's valuation of unlisted investments	302 613 221	365 988 248
Average rate of return on investments	6.65%	10.53%
15 LONG TERM RECEIVABLES		
Loans to sports club and other	–	4 279
		4 279



Notes to the Annual Financial Statements

as at 30 June 2010 (continued)

	2010	2009
	R	R
LESS: Current portion of long-term receivables transferred to current assets	–	(4 279)
	–	–
16 INVENTORY		
Inventory represents:		
Consumable stores	36 312	26 200
	36 312	26 200
17 CONSUMER RECEIVABLES		
Revenue from non-exchange transactions		
Rates	17 702 610	15 572 104
Rates penalties and collection charges	8 882 532	9 255 374
Refuse	3 034 162	3 494 418
Grants, subsidies and other	135 337	135 337
Revenue from exchange transactions		
Housing	5 703 090	5 239 043
Interest on housing	3 175 239	2 937 012
Sundries	4 485 565	2 653 337
	43 118 535	39 286 625
Less: Provision for bad debt	(13 196 840)	(9 279 835)
Less: Provision for impairment loss	(3 915 144)	(3 915 144)
Add: VAT	–	163 454
Total consumer receivables	26 006 551	26 255 100
Amounts written off as bad debts	2 100	27 294
As a percentage of total operating revenue	0.00%	0.02%
Ageing of consumer debt as follows:		
Rates		
Current (0 to 30 days)	591 445	790 452
31 to 60 days	321 101	287 102

	2010	2009
	R	R
61 to 90 days	242 950	194 554
91 to 120 days	221 590	202 669
121 days and over	16 329 132	14 097 327
	17 706 218	15 572 104
Rates penalties and collection charges		
Current (0 to 30 days)	3 233	12 801
31 to 60 days	3 181	4 812
61 to 90 days	9 396	5 844
91 to 120 days	10 840	15 531
121 days and over	8 855 882	9 216 386
	8 882 532	9 255 374
Housing		
Current (0 to 30 days)	130 086	290 209
31 to 60 days	44 846	42 673
61 to 90 days	44 246	53 846
91 to 120 days	44 628	41 639
121 days and over	4 998 722	4 810 676
	5 262 528	5 239 043
Interest on housing		
Current (0 to 30 days)	–	–
31 to 60 days	440	431
61 to 90 days	876	1 077
91 to 120 days	1 317	1 257
121 days and over	3 172 606	2 934 247
	3 175 239	2 937 012
Refuse		
Current (0 to 30 days)	205 093	277 067
31 to 60 days	44 109	59 329
61 to 90 days	38 662	41 569
91 to 120 days	32 892	50 838

Notes to the Annual Financial Statements

as at 30 June 2010 (continued)

	2010	2009
	R	R
121 days and over	2 981 975	3 065 615
	3 302 731	3 494 418
Sundries		
Current (0 to 30 days)	2 351 614	508 678
31 to 60 days	28 105	41 920
61 to 90 days	59 977	39 803
91 to 120 days	264 850	23 568
121 days and over	2 318 721	2 039 368
	5 023 267	2 653 337
Grants, subsidies and other		
Current (0 to 30 days)	–	–
31 to 60 days	–	–
61 to 90 days	–	–
91 to 120 days	–	–
121 days and over	135 337	135 337
	135 337	135 337
Total consumer ageing	43 487 852	39 286 625
Less: Provision for bad debts	(13 196 840)	(9 279 835)
Less: Provision for impairment loss	(3 915 144)	(3 915 144)
Add: VAT	(369 317)	163 454
Total consumer receivables	26 006 551	26 255 100
Reconciliation of provision for bad debts on consumer receivables		
Balance at beginning of the year	9 279 835	5 767 240
Contributions to provision	2 340 366	3 539 889
Transfer of clinic subsidy provision from other receivables	1 817 000	
Write-offs against provision	(240 361)	(27 294)
Balance at end of year	13 196 840	9 279 835

	2010	2009
	R	R
Management have considered the effects of any impairment in the values of outstandings and the value of the provision for bad debts. The provision is adequate to account for any material losses expected to arise from any adjustments that are required to be made to outstanding debt.		
In the previous financial year, the clinic subsidy was anticipated to be a once-off receivable. However, subsequent events in the current financial year have indicated that the conditions of an recurrent receivable has been met.		
18 OTHER RECEIVABLES		
Sundry receivables	55 493	2 128 004
Sale of Council property	–	3 250 000
Ugu District Municipality	5 075 295	5 075 295
	5 130 788	10 453 299
Less: Provision for bad debt	(5 117 952)	(7 362 203)
Total other receivables	12 836	3 091 096
Reconciliation of provision for bad debt on other receivables		
Balance at beginning of the year	7 362 203	4 922 446
Contributions (decrease) to provision	(348 986)	2 439 757
Transfer of clinic subsidy provision to consumer receivables	(1 817 000)	
Bad debts written off against provision	(78 265)	–
Balance at end of year	5 117 952	7 362 203
Management have considered the effects of any impairment in the values of outstandings and the value of the provision for bad debts. The provision is adequate to account for any material losses expected to arise from any adjustments that are required to be made to outstandings receivables.		
19 VAT RECEIVABLE		
VAT receivable	7 474 131	5 724 654
VAT is payable on the cash basis. Only once payment has been received from receivables, is VAT paid over to SARS.		
20 BANK, CASH AND OVERDRAFT BALANCES		
The Municipality has the following bank accounts:		
The following primary bank account is maintained in terms of the Local Government: Municipal Finance Management Act:		



Notes to the Annual Financial Statements

as at 30 June 2010 (continued)

	2010	2009
	R	R
Standard Bank of SA Limited, Scottburgh Branch – Account No. 05 279 168 8		
Current account:		
Cash book balance at beginning of year	(4 843 558)	(129 601)
Cash book balance at end of year	(2 787 957)	(4 843 558)
Bank statement balance at beginning of year	2 710 117	3 792 218
Bank statement balance at end of year	3 926 445	2 710 117
The following bank account is maintained in terms of the Local Government: Municipal Finance Management Act:		
Standard Bank of SA Limited, Scottburgh Branch – Account No. 052 854 329		
Current account:		
Cash book balance at beginning of year	–	–
Cash book balance at end of year	1 199 120	–
Bank statement balance at beginning of year	–	–
Bank statement balance at end of year	1 199 120	–
The following housing bank accounts are maintained in terms of memorandums of agreement with the Department of Housing:		
Standard Bank of SA Limited, Scottburgh Branch – Account No. 05 285 257 1		
Malangeni Rural Housing Project K 03100018		
Cash book balances at beginning of year	61 893	38 269
Cash book balances at end of year	62 727	61 893
Bank statement balances at beginning of year	61 893	38 269
Bank statement balances at end of year	62 727	61 893
Standard Bank of SA Limited, Scottburgh Branch – Account No. 05 285 256 3		
Amahlongwa Rural Housing Project K 03100017		
Cash book balances at beginning of year	8 053	551 322
Cash book balances at end of year	78 428	8 053

	2010	2009
	R	R
Bank statement balances at beginning of year	8 053	551 322
Bank statement balances at end of year	78 428	8 053
Standard Bank of SA Limited, Scottburgh Branch – Account No. 05 279 625 6		
<u>Umzinto Slum Clearance Housing Project K 031 00019</u>		
Cash book balances at beginning of year	(24)	51 253
Cash book balances at end of year	25 809	(24)
Bank statement balances at beginning of year	(24)	51 253
Bank statement balances at end of year	25 809	(24)
Standard Bank of SA Limited, Scottburgh Branch – Account No. 05 279 619 1		
<u>Sanathan Housing Project K 0310002</u>		
Cash book balances at beginning of year	2 063	162
Cash book balances at end of year	1 246	2 063
Bank statement balances at beginning of year	2 063	162
Bank statement balances at end of year	1 246	2 063
Standard Bank of SA Limited, Scottburgh Branch – Account No. 05 285 432 9		
<u>Umdoni Municipality Housing Account</u>		
Cash book balances at beginning of year	82 964	189 976
Cash book balances at end of year	89 952	82 964
Bank statement balances at beginning of year	122 689	189 976
Bank statement balances at end of year	89 953	122 689
Additional bank account:		
Standard Bank of SA Limited, Scottburgh Branch – Account No. 05 429 812 1		
<u>Disaster Management Account</u>		
Cash book balances at beginning of year	–	5 462
Cash book balances at end of year	–	–



Notes to the Annual Financial Statements

as at 30 June 2010 (continued)

	2010	2009
	R	R
Bank statement balances at beginning of year	–	5 462
Bank statement balances at end of year	–	–
Summary:		
Cash book balance at beginning of year	(4 688 609)	706 844
Cash book balance at end of year	(1 330 676)	(4 688 609)
Bank statement balance at beginning of year	194 674	4 628 662
Bank statement balance at end of year	5 383 727	2 904 791
CASH ON HAND:		
Petty cash	1 000	1 000
Floats	4 900	4 900
	5 900	5 900
Total bank and cash	(1 324 776)	(4 682 709)
21 PROPERTY RATES		
Actual income		
Residential	34 842 077	32 725 640
Agriculture	552 502	506 147
Commercial and other	17 114 233	17 244 964
State	–	–
Less: adjustments	(2 351 358)	(2 385 392)
Less: rebates	(4 684 237)	(5 339 833)
Total assessment rates	45 473 217	42 751 526
Property valuations	7 419 315 000	7 469 953 000
Non rateable valuations	129 691 000	112 778 000
The last general valuation for Umdoni came into effect on:	1 July 2008	1 July 2008
Randages in terms of the Municipal Property Rates Act:		
Residential	0.00648	0.0063

	2010	2009
	R	R
Commercial, business and industrial	0.00864	0.0084
Agricultural property, public service infrastructure, public benefit organisations	0.00165	0.0016
Vacant industrial, commercial and other	0.0185	0.0180
Rebates on these rates are allowed on the following basis:		
Special residential (excluding vacant land)	75 000	75 000
Vacant property	15 000	15 000
Disabled persons, pensioners, indigent persons as defined in the Indigent Policy	370 000	370 000
22 SERVICE CHARGES		
Refuse removal	6 319 417	6 226 015
	6 319 417	6 226 015
23 GOVERNMENT GRANTS AND SUBSIDIES		
<i>Operational grants:</i>		
Equitable share	17 093 771	12 929 536
Provincial grants	5 207 666	4 723 747
Provincial – health subsidies	1 782 942	1 817 000
Ugu District Municipality	494 843	2 698 483
Department of Provincial and Local Government	2 360 393	94 542
European Union funding	–	275 722
National Treasury	102 218 360	55 773 731
Old Mutual	342 414	403 261
Development Bank of SA	–	118 280
Total Government Grant and subsidies recognised	129 500 389	78 834 302
24 OTHER INCOME		
Building plan fees	466 164	713 121
Development levy	105 263	–
Insurance recovery	820 891	148 865
Inspections	135 252	128 634
Fire services income	1 018 685	42 868
Plot clearing	56 787	113 594
Rates certificates	91 176	87 579

Notes to the Annual Financial Statements

as at 30 June 2010 (continued)

	2010	2009
	R	R
Signage	130 890	204 914
Non-refundable tender deposits	341 471	113 206
Subdivisions, rezoning and town planning	50 578	73 919
Free basic services refund – Ugu District Municipality	–	403 185
Sundry income	335 756	126 183
	3 552 913	2 156 068
25 EMPLOYEE-RELATED COSTS		
Remuneration of the Municipal Manager		
Annual remuneration	715 244	630 713
Performance bonus	62 273	69 000
	777 517	699 713
Remuneration of the Manager: Financial Services		
Annual remuneration	539 049	496 719
Performance bonus	34 115	30 000
	573 163	526 719
Remuneration of the Manager: Technical Services		
Annual remuneration	540 249	499 719
Performance bonus	34 115	40 500
	574 363	540 219
Remuneration of the Manager: Community Services		
Annual remuneration	445 385	170 298
Performance bonus	40 500	40 500
<i>Performance bonus paid in 2010 financial year is in respect to the previous General Manager: Community Services</i>	485 885	210 798
Remuneration of the Manager: Corporate Services		
Annual remuneration	539 048	501 398
Performance bonus	34 115	54 000
	573 162	555 398

	2010	2009
	R	R
EMPLOYEE-RELATED COSTS		
Salaries and allowances	34 505 070	31 145 172
Contributions to UIF, pensions and medical aids	6 533 333	5 506 942
Travel, car, accommodation, subsistence and other allowances	352 154	311 737
Housing benefits and allowances	99 920	122 811
Overtime payments	1 078 379	2 012 057
Bonuses	2 142 914	1 659 026
Contribution to long service awards and medical aid liability	4 362 180	1 930 986
	49 073 950	42 688 731
26 COUNCILLORS' REMUNERATION		
Mayor's allowance	572 107	531 383
Deputy Mayor's allowance	473 032	176 199
Speaker's allowance	456 004	423 628
Executive Councillor allowance	426 922	396 943
Councillors' allowances	2 468 116	2 316 144
	4 396 181	3 844 297
The Mayor, Deputy Mayor, Speaker and one Executive Councillor are full time and have an office and secretarial support at the cost of the Council		
The Mayor has the use of a Council vehicle for official duties		
27 INTEREST PAID		
Long term liabilities	97 901	95 781
	97 901	95 781
28 CONTRIBUTIONS TO PROVISIONS		
Contribution to bad debt provision	1 991 380	5 979 646
Contribution to impairment loss	–	3 915 144
Contribution to leave provision	1 081 843	1 359 695
	3 073 223	11 254 485
29 AUDITOR'S REMUNERATION		
Audit fees	773 363	828 176



Notes to the Annual Financial Statements

as at 30 June 2010 (continued)

	2010	2009
	R	R
30 CONTRACTED SERVICES		
Disaster management contracted services	–	31 857 738
Fixed asset register and verification	1 352 617	181 332
Verge contract maintenance	2 796 064	1 221 625
Refuse site maintenance	1 947 246	1 308 390
Security	1 366 228	960 808
Lifeguard services	599 352	369 480
Meshing fees	797 263	721 504
Machinery leases	361 003	328 783
Computer support	231 031	275 385
Other contracted services	1 364 754	414 169
	10 815 558	37 639 214
31 GENERAL EXPENSES		
Electricity and water	3 052 694	2 315 609
Alternate electricity	1 834 836	1 126 092
Fuel maintenance	1 759 937	2 628 660
Telecommunication	991 461	967 796
Printing and stationery	814 540	769 438
Insurance	381 687	451 755
Audit fees	773 363	828 176
Grants and subsidies paid	7 800 000	–
Workman's Compensation	448 513	368 973
Special programmes	637 212	532 607
Drivers licences	475 369	669 214
SETA training programmes and skills levies	704 307	702 390
Valuations	300 000	492 472
Other general expenses	6 590 981	7 582 598
	26 564 900	19 435 780
32 CASH GENERATED FROM (UTILISED IN) OPERATIONS		
Surplus for the year	109 151 636	26 566 235
Adjustments for non-cash transactions accounted for directly against income:		
Previous year's operating transactions	(390 656)	235 599
Depreciation	10 329 707	7 073 638
Disposal of assets	2 688 649	2 079 652
Provision for refuse site rehabilitation	355 350	331 203

	2010	2009
	R	R
Other provisions – performance bonus	–	234 000
Accrued income	(1 730 572)	(3 250 000)
Contribution to bad debt adjustment	1 991 380	5 952 352
Contribution to impairment loss	–	3 915 144
Capital charges:		
Interest paid on external loans	97 901	95 781
Investment income (operating account)	(22 329 410)	(8 946 549)
Non-operating expenditure:		
Expenditure charged/income raised against housing operating account	2 679 378	2 306 300
Contribution to staff leave	1 050 300	1 359 694
Contribution to retirement medical aid and long service awards	4 362 180	1 930 926
	108 255 843	39 883 975
(INCREASE)/DECREASE IN WORKING CAPITAL	(16 177 132)	(9 661 707)
(Increase)/decrease in inventory	(10 112)	25 982
(Increase)/decrease in receivables	(1 846 968)	(14 186 161)
(Increase)/decrease in short term investments	63 375 027	(328 823 817)
Increase/(decrease) in creditors	14 876 287	1 792 500
Increase/(decrease) in unspent conditional grants	(92 571 366)	331 529 789
Cash generated from (utilised in) operations	92 078 711	30 222 268
33 CONTINGENT LIABILITIES		
No contingent liabilities have been identified at year end	–	–
34 CAPITAL COMMITMENTS		
Commitments for capital expenditure:		
Approved and contracted for	66 118 430	26 366 669
Approved but not yet contracted for	189 837 611	275 802 860
	255 956 041	302 169 529
This expenditure will be financed from:		
Internal source – revenue	6 000 000	10 430 009
External source – National Government	249 956 041	291 739 520
	255 956 041	302 169 529



Notes to the Annual Financial Statements

as at 30 June 2010 (continued)

35	COUNCILLORS' ACCOUNTS IN ARREAR	Outstanding less than 90 days	Outstanding more than 90 days	Total
	The following Councillors had an arrear account balance outstanding:			
	At 30 June 2010	7 122	228 455	235 577
	Councillor M Sulagan	502	16 522	17 024
	Councillor K Ramadu			
		7 624	244 977	252 601
	At 30 June 2009	335	4 368	4 703
	B Moodley (spouse of Councillor M Moodley)	–	164 095	164 095
	Councillor M Sulagan	–	1 818	1 818
	Councillor GN Mbambo			
		335	170 281	170 616

	2010	2009
36	R	R
UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
36.1 Unauthorised expenditure		
Opening balance	20 468 206	450 493
Unauthorised expenditure for the current year*	12 307 945	21 753 376
Approved/condoned by Council	–	(1 735 663)
Transfer to receivables for recovery		–
Unauthorised expenditure	32 776 151	20 468 206
<i>* Unauthorised expenditure in terms of the approved Municipal budget for the year under review is as follows:</i>		
Depreciation	7 339 417	–
Provision for post-retirement benefits and long service	3 512 180	–
Expenditure relating to Government grants and subsidies	1 320 998	–
Provision for refuse site rehabilitation	135 350	–
	12 307 945	–
36.2 Fruitless and wasteful expenditure		
Opening balance	–	–
Fruitless and wasteful expenditure for the current year	–	–
Approved/condoned by Council	–	–

	2010	2009
	R	R
To be recovered – contingent asset	–	–
Fruitless and wasteful expenditure	–	–
36.3 Irregular expenditure		
Opening balance	1 680 281	–
Irregular expenditure for the current year*	218 027	1 880 281
Approved/condoned by Council		(200 000)
Transfer to receivables for recovery – not condoned	–	–
Irregular expenditure	1 898 308	1 680 281
* Expenditure relating to R75 800 was incurred where the supply chain management process of obtaining three quotations had not obtained.		
* Expenditure of R142 227.38 was incurred where the contracts for two employees were not finalised for the year under audit.		

37 CORRECTION OF ERRORS	As previously reported 2009	Amount of correction 2009	Restated 2009
37.1. INVESTMENTS			
Interest on investment accounts have been understated in the prior financial year by R20 904. The prior year revenue has been increased to correctly account for this interest. The investment balance was further increased to account for the restatement of interest, and the effect of this correction is indicated below:			
a) Adjustment against surplus for the year end 30 June 2009:			
Increase/(decrease) in revenue			
Interest earned	8 946 549	20 904	8 967 453
Increase in revenue	8 946 549	20 904	8 967 453
b) Adjustment of balances – assets as at 30 June 2009:			

Notes to the Annual Financial Statements

as at 30 June 2010 (continued)

	As previously reported 2009	Amount of correction 2009	Restated 2009
Net assets and liabilities			
- Increase in accumulated surplus	138 203 829	20 904	138 224 733
Assets			
- Increase in investments	365 967 344	20 904	365 988 248
37.2. PROVISION FOR STAFF LEAVE			
The provision for staff leave has been previously classified as accounts payable in the annual financial statements. This has been retrospectively adjusted, and correctly classified as a provision in this financial year.			
a) Adjustment of balances – assets as at 30 June 2009:			
Non-current liabilities			
- Increase in provision for staff leave	–	3 295 530	3 295 530
Current liabilities			
- Decrease in accounts payable	13 652 739	(3 295 530)	10 357 209
37.3. INVESTMENT PROPERTY			
Investment property has been incorrectly classified as property, plant and equipment in the prior financial year. This has been correctly classified retrospectively in the current financial year, in accordance with GRAP.			
b) Adjustment of balances – assets as at 30 June 2009:			
Assets			
- Increase in investment property	–	197 000	197 000
- Decrease in property, plant and equipment	163 974 946	(197 000)	163 777 946
Net effect on assets	163 974 946	–	163 974 946

38	PRIOR YEAR ADJUSTMENTS
	During preparation of the annual financial statements for the current financial year, it was identified that R390 806 be written off to accumulated surplus
39	SECTION 36 DISCLOSURE IN ACCORDANCE WITH MUNICIPAL FINANCE MANAGEMENT ACT
	The following amounts were incurred by the Municipality in accordance with section 36 of the Municipal Finance Management Act:
	* Expenditure of R91 693 174 relates to the Disaster Rehabilitation Programme. In order to expedite the rehabilitation of the damage incurred during the June 2008 floods, service providers were invited to register on a disaster database, and requested to tender as the projects were being implemented
	*Expenditure of R380 709.05 has been incurred in accordance with section 36 of the Municipal Finance Management Act, No.36 of 2003 in respect of goods and services procured from a sole supplier
	*Expenditure of R894 996.85 has been incurred in accordance with Section 36 of the Municipal Finance Management Act, No.36 of 2003 in respect of goods and services under emergency circumstances
	*Expenditure of R2 562 703.80 has been incurred in accordance with Section 36 of the Municipal Finance Management Act No.36 of 2003 in respect of goods and services (specialist services)
40	EVENTS AFTER REPORTING DATE
	Management have not identified any matter or circumstance (adjusting or non-adjusting) since the end of the financial year that will impact on the fair presentation of the annual financial statements

41 PARTICULARS OF TRANSACTIONS IN ACCORDANCE WITH S45 OF SUPPLY CHAIN REGULATIONS

2010

The Municipality incurred business to the value of R20 790 with a company associated with staff members of the Municipality. The transaction was concluded in full compliance with the Supply Chain Management Policy of Council and the transaction is considered to be at arms length.

Name of individual	Capacity of individual	Nature of relationship	Amount of award
AA Govender	Superintendent –Traffic	Parent of employee	R20 790



Notes to the Annual Financial Statements

as at 30 June 2010 (continued)

2009

The Municipality incurred business to the value of R340 113 with a company associated with staff members of the Municipality. The transaction was concluded in full compliance with the Supply Chain Management Policy of Council and the transaction is considered to be at arms length.

Name of individual	Capacity of individual	Nature of relationship	Amount of award
CC Ramkisson	Senior Housing Clerk	Spouse of employee	R3 016
S Zama	Communication Officer	Parent of employee	R5 400
K Kunene	Assistant Manager: SCM	Spouse of employee	R269 152
K Sewnarain	Previous Manager: Budget and Compliance	Previous employee	R38 662
AA Govender	Superintendent –Traffic	Parent of employee	R23 883
			R340 113

42 FINANCIAL INSTRUMENTS

42.1 FINANCIAL ASSETS:

In accordance with IAS 39.09, the financial assets of the Municipality are classified as follows:

Financial assets	Classification
Current investments	
30 day deposits	Held to maturity
Trade receivables from exchange transactions & non-exchange transactions	
Consumer debtors	Loans and receivables
Other debtors	Loans and receivables
Bank cash and cash equivalents	
Bank balances	Available for sale

		2010	2009
		R	R
SUMMARY OF FINANCIAL ASSETS			
Held to maturity:			
Current investments	30 day deposits	303 812 341	365 988 248
		303 812 341	365 988 248
Loans and receivables			
Trade receivables from consumers		43 118 535	39 286 625
Trade receivables from other debtors		5 130 788	10 453 299
		48 249 323	49 739 924
Available for sale:			
Bank balances and cash	Bank balances	264 062	160 874
		264 062	160 874
Total financial assets		352 325 726	415 889 046



Notes to the Annual Financial Statements

as at 30 June 2010 (continued)

42.2 **FINANCIAL LIABILITIES:**

In accordance with IAS 39.09, the financial liabilities of the Municipality are classified as follows:

Financial liabilities	Classification
Long-term liabilities	
Non-annuity loans	Financial liabilities at amortised cost
Annuity loans	Financial liabilities at amortised cost
Consumer deposits	
Electricity	Financial liabilities at amortised cost
Creditors	
Trade creditors	Financial liabilities at amortised cost
Payments received in advance	Financial liabilities at amortised cost
Deposits – other	Financial liabilities at amortised cost
Staff leave	Financial liabilities at amortised cost
Other creditors	Financial liabilities at amortised cost
Current portion of long-term liabilities	
Non-annuity loans	Financial liabilities at amortised cost
Annuity loans	Financial liabilities at amortised cost
Bank, cash and cash equivalents	
Bank balances	Available for sale

	2010	2009
	R	R
SUMMARY OF FINANCIAL LIABILITIES		
Financial liabilities at amortised cost:		
Long-term liabilities	1 200 000	–
Long-term liabilities	77 306	183 094
Deposits	1 176 432	974 978
Creditors	11 060 116	4 730 287
Creditors	2 333 657	2 174 820
Creditors	4 009 835	3 295 530
Creditors	10 182 987	2 477 123
Current portion of long-term liabilities	889 694	889 694
Current portion of long-term liabilities	611 734	708 330
	31 541 761	15 433 857
Bank, cash and cash equivalents		
Bank balances	2 787 957	4 843 558
Total financial liabilities	34 329 718	20 277 415

Notes to the Annual Financial Statements

as at 30 June 2010

43 PROPERTY, PLANT AND EQUIPMENT

	Properties	Infrastructure	Vehicles
Reconciliation of carrying value			
Carrying values at 1 July 2009	19 228 843	53 219 643	6 958 608
Cost/revaluation	20 132 506	62 931 965	13 661 106
Cost	20 132 506	62 931 965	13 661 106
Revaluation	–	–	–
Prior year adjustments			
Accumulated depreciation	(903 663)	(9 712 322)	(6 702 498)
Based on cost	(903 663)	(9 712 322)	(6 702 498)
Based on revaluation	–	–	–
Acquisitions	140 064	27 274 648	605 673
Increases/(decreases) in revaluation			
Depreciation	(123 767)	(4 493 805)	(1 656 881)
Based on cost	(123 767)	(4 493 805)	(1 656 881)
Based on revaluation			
Carrying value of disposals	–	–	–
Cost/revaluation		(42 158)	(6 994)
Accumulated depreciation		42 158	6 994
Impairment losses	–	–	–
Other movements	–	–	–
Carrying values at 30 June 2010	19 245 140	76 000 487	5 907 401
Represented by			
Cost/revaluation	20 272 570	90 164 456	14 259 785
Cost	20 272 570	90 164 456	14 259 785
Revaluation			
Accumulated depreciation	(1 027 430)	(14 163 969)	(8 352 384)
Cost	(1 027 430)	(14 163 969)	(8 352 384)
Revaluation			
Carrying values at 30 June 2010	19 245 140	76 001 272	5 341 526

Civil roads	Stormwater	Electricity	Toolbox	Housing	Work in progress	Total
34 565 962	2 474 407	1 067 570	7 442 686	16 119 219	22 701 008	163 777 946
43 352 704	3 024 817	1 246 948	15 311 377	16 119 219	22 701 008	198 481 649
43 352 704	3 024 817	1 246 948	15 311 377	16 119 219	22 701 008	198 481 649
–	–	–	–	–	–	–
(8 786 742)	(550 410)	(179 377)	(7 868 691)	–	–	(34 703 703)
(8 786 742)	(550 410)	(179 377)	(7 868 691)	–	–	(34 703 703)
–	–	–	–	–	–	–
–	2 169 046	319 127	2 283 027	–	75 366 609	108 158 195
(1 416 977)	(172 851)	(41 565)	(2 423 860)	–	–	(10 329 707)
(1 416 977)	(172 851)	(41 565)	(2 423 860)	–	–	(10 329 707)
–	–	–	–	(2 688 641)	–	(2 688 641)
–	–	–	(502 843)	(2 688 641)	–	(3 240 637)
–	–	–	502 843	–	–	551 996
–	–	–	–	–	–	–
–	–	–	–	–	–	–
33 148 984	4 470 601	1 345 132	7 301 853	13 430 578	98 067 616	258 917 792
43 352 704	5 193 862	1 566 075	17 091 560	13 430 578	98 067 616	303 399 206
43 352 704	5 193 862	1 566 075	17 091 560	13 430 578	98 067 616	303 399 206
(10 203 719)	(723 261)	(220 943)	(9 789 708)	–	–	(44 481 414)
(10 203 719)	(723 261)	(220 943)	(9 789 708)	–	–	(44 481 414)
33 148 984	4 470 601	1 345 132	7 307 110	13 430 578	98 067 616	258 917 792



Appendix A: Schedule of External Loans

as at 30 June 2010

External loan	Interest rate	Period of loan	Balance as at 30 June 2009
Other long-term loans			
uMsekeli Financial Services	0.00%		889 694
Development Bank of SA Ltd (MPRA Loan)			
Total long-term loans			889 694
Annuity loans			
Development Bank of SA Ltd	Various (9.6%-17.65%)	Various (2009-2015)	376 210
uMsekeli Financial Services			
Library	10.00%		77 290
Roads and drains	10.00%		437 923
Total annuity loans			891 423
TOTAL EXTERNAL LOANS			1 781 117

Received during the year	Adjustments to correct the previous year	Redeemed/ written off during the year	Balance as at 30 June 2010	Short term portion		2010 interest accrued for the year
				2010	2009	
–	–	–	889 694	889 694	889 694	–
1 200 000	–	–	1 200 000	–	–	45 371
1 200 000	–	–	2 089 694			
–	–	(202 384)	173 826	96 521	193 117	52 530
–	–	–	77 290	77 290	77 290	–
–	–	–	437 924	437 923	437 923	–
		(202 384)	689 040			
1 200 000	–	-202 384	2 778 734	1 501 428	1 598 024	97 901

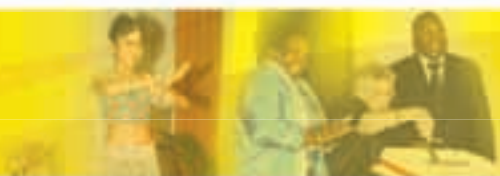


Appendix B: Analysis of Property, Plant & Equipment

as at 30 June 2010

	Cost/Revaluation						
	Budgeted additions for 2009/2010 year	Opening balance	Work In progress	Restated opening balance	Additions	Work in progress transferred to additions	Work in progress for the year
	R	R	R	R	R	R	R
Properties	134 551	20 132 506	330 670	20 463 176	140 064	(330 670)	2 588 201
Infrastructure	21 872 693	62 931 965	19 491 195	82 423 161	27 274 648	(19 491 195)	13 327 161
Vehicles	2 248 345	13 661 106	–	13 661 106	605 673	–	–
Civil roads	105 113 760	43 352 703	–	43 352 703	–	–	82 152 254
Civil storm water	–	3 024 817	2 169 046	5 193 862	2 169 046	(2 169 046)	–
Electrical	147 193	1 246 948	–	1 246 948	319 127	–	–
Toolbox	830 996	15 311 377	710 097	16 021 474	2 283 027	(710 097)	–
Housing	–	16 119 219	–	16 119 219	–	–	–
Total	130 347 538	175 780 640	22 701 007	198 481 647	32 791 586	(22 701 007)	98 067 616

		Accumulated depreciation					
Disposals	Closing balance	Opening balance	Additions	Disposals	Closing balance	Carrying value – 2010	Carrying value – 2009
R	R	R	R	R	R	R	R
	22 860 771	903 663	123 767		1 027 430	21 833 341	19 559 513
(42 158)	103 491 617	9 712 322	4 493 805	(42 158)	14 163 968	89 327 648	72 710 839
(6 994)	14 259 785	6 702 498	1 656 881	(6 994)	8 352 384	5 907 401	6 958 608
	125 504 957	8 786 742	1 416 977		10 203 719	115 301 238	34 565 962
	5 193 862	550 410	172 851		723 261	4 470 601	4 643 452
	1 566 075	179 377	41 565		220 943	1 345 132	1 067 570
(502 843)	17 091 560	7 868 691	2 423 860	(502 843)	9 789 708	7 301 853	8 152 783
(2 688 641)	13 430 578					13 430 578	16 119 219
(3 240 637)	303 399 205	34 703 702	10 329 707	(551 996)	44 481 413	258 917 792	163 777 946



Appendix C: Segmental Analysis of Property, Plant & Equipment

as at 30 June 2010

	Cost/Revaluation					
	Opening balance	Work In progress	Restated opening	Additions	Work in progress transferred to additions	Under construction
	R	R	R	R	R	R
Council general	51 773		51 773	36 334	–	
Council	3 406 278		3 406 278	51 403	–	
Community services	31 645 041	13 650 893	45 295 935	14 740 177	(13 650 893)	10 351 100
Civic buildings	14 453 682		14 453 682	2 303 735	–	3 600 351
Building	96 406		96 406	1 740	–	
Corporate services	2 141 145		2 141 145	115 678	–	
Clinic	1 028 474		1 028 474	12 185	–	
Environmental services	26 760		26 760	14 315	–	
Land	1 525 849		1 525 849	–	–	
Libraries	4 887 789	4 547 001	9 434 790	9 453 005	(4 547 001)	
Workshop	109 248		109 248	–	–	
Refuse	8 459 321		8 459 321	–	–	
Roads and drainage	31 546 366		31 546 366	–	–	82 152 254
Beach management	6 599 886		6 599 886	–	–	691 093
Estates	830 300		830 300	–	–	
Sewerage	941 646		941 646	–	–	
Parks and gardens	7 220 293	803 005	8 023 299	922 069	(803 005)	
Traffic services	2 368 984		2 368 984	35 449	–	
Caravan park	1 767 401		1 767 401	–	–	
Technical services	15 768 193	3 695 558	19 463 751	4 995 306	(3 695 558)	1 272 819
Public works	16 827 333	4 550	16 831 882	4 550	(4 550)	
Financial services	758 025		758 025	62 594	–	
Stores	15 869		15 869	–	–	
Administration	3 974 983		3 974 983	11 652	–	
Housing services	19 199 631		19 199 631	19 011	–	
Planning and development	129 962		129 962	12 383	–	
Total	175 780 640	22 701 007	198 481 647	32 791 586	(22 701 007)	98 067 616

Accumulated depreciation

Disposals	Closing balance	Opening balance	Additions	Disposals	Closing balance	2010 carrying value	2009 carrying value
R	R	R	R	R	R	R	R
(3 500)	84 607	24 785	9 257	(3 500)	30 541	54 065	26 989
(1 646)	3 456 034	232 606	209 621	(1 646)	440 580	3 015 454	3 173 672
(93 725)	56 642 593	2 943 043	3 897 384	(93 725)	6 746 702	49 895 891	42 352 891
(1 216)	20 356 552	2 776 763	557 587	(1 216)	3 333 134	17 023 419	11 676 920
(2 449)	95 697	58 098	15 727	(2 449)	71 376	24 321	38 308
(46 862)	2 209 961	1 123 842	356 798	(46 862)	1 433 779	776 182	1 017 302
(5 985)	1 034 674	415 709	34 814	(5 985)	444 539	590 136	612 765
	41 076	14 070	5 051	—	19 121	21 954	12 691
	1 525 849	11 270	1 239	—	12 509	1 513 340	1 514 579
(45 549)	14 295 245	1 235 028	195 858	(45 549)	1 385 337	12 909 907	8 199 761
(286)	108 962	86 551	8 759	(286)	95 023	13 939	22 697
(144)	8 459 177	211 710	118 528	(144)	330 094	8 129 083	8 247 611
(2 546)	113 696 074	6 209 312	1 083 031	(2 546)	7 289 797	106 406 278	25 337 054
(29 337)	7 261 642	1 941 236	213 888	(29 337)	2 125 786	5 135 855	4 658 650
	830 300	1 471	329	—	1 800	828 500	828 829
	941 646	681 901	13 861	—	695 763	245 884	259 745
(16 405)	8 125 957	1 430 661	379 001	(16 405)	1 793 257	6 332 700	6 592 637
(14 713)	2 389 720	1 359 205	359 031	(14 713)	1 703 522	686 198	1 009 780
(1 083)	1 766 318	403 235	18 118	(1 083)	420 270	1 346 048	1 364 166
(35 643)	22 000 675	5 176 176	1 951 509	(35 643)	7 092 041	14 908 633	14 287 576
(204)	16 831 679	4 637 122	499 817	(204)	5 136 736	11 694 943	12 194 760
(115 193)	705 425	414 277	103 026	(115 193)	402 109	303 316	343 748
(10 656)	5 213	12 371	163	(10 656)	1 877	3 336	3 498
(123 450)	3 863 184	1 892 550	180 715	(123 450)	1 949 814	1 913 370	2 082 433
(2 689 007)	16 529 635	1 366 600	91 931	(366)	1 458 165	15 071 470	17 833 032
(1 037)	141 308	44 112	24 664	(1 037)	67 739	73 570	85 850
(3 240 637)	303 399 204	34 703 702	10 329 707	(551 996)	44 481 413	258 917 792	163 777 946

Appendix D: Segmental Statement of Financial Performance

as at 30 June 2010

	2010 actual income	2010 actual expenditure	2010 surplus/ (deficit)	2009 actual income	2009 actual expenditure	2009 surplus/ (deficit)
	R	R	R	R	R	R
Council general	17 097 675	11 010 219	6 087 455	44 282 517	42 832 277	1 450 240
Financial services	183 000 623	16 396 685	166 603 938	58 509 499	20 580 494	37 929 005
Technical services	6 856 717	44 700 220	(37 843 503)	30 783 985	30 044 055	739 930
Corporate services	133 530	9 762 376	(9 628 846)	4 077 576	8 374 041	(4 296 466)
Community services	11 513 346	24 269 505	(12 756 159)	14 535 816	22 622 290	(8 086 474)
Planning and development	729 094	4 040 343	(3 311 249)	2 299 341	3 469 341	(1 170 000)
Total	219 330 985	110 179 349	109 151 636	154 488 734	127 922 499	26 566 235

Appendix E1: Actual compared with Revenue and Expenditure

as at 30 June 2010

	Actual	Budget	Variance	Variance	Explanation for variances greater than 10%
	2010	2010	2010	2010	
	R	R	R	R	
REVENUE					
Property rates	45 473 217	45 349 868	123 349	0.27%	
Property rates: penalties imposed and collection charges	2 995 973	2 600 000	395 973	15.23%	Increase in penalties raised due to consumer debt being outstanding for a longer period of time than anticipated
Service charges	6 319 417	6 270 334	49 083	0.78%	
Rental of facilities and equipment	3 240 806	3 748 900	(508 094)	(13.55%)	Housing rentals received of R 650 000 was transferred to the Housing Operating Account
No income has been collected in terms of communal gardens of R150 000					
Interest earned – external investments	22 329 410	7 033 500	15 295 910	217.47%	Due to the investment of the unspent funds for the Disaster Management Grant, interest accrued has increased substantially
Fines and penalties	889 640	1 689 670	(800 030)	(47.35%)	Penalties raised in terms of the Housing Schemes have been transferred to the Housing Operating Account
Licences and permits	5 029 220	5 113 300	(84 080)	(1.64%)	
Government grants and subsidies	129 500 389	23 272 483	106 227 906	456.45%	The implementation of GRAP requires the recognition of grant revenue in accordance with expenditure occurred. Due to the rollout of the disaster rehabilitation programme, the expenditure had increased substantially
Other income	3 552 913	3 370 986	181 927	5.40%	
Public contributions and donations	–	–	–	–	
Profit from the sale of council property	–	–	–	–	
Total revenue	219 330 985	98 449 041	120 881 945	55.11%	



Appendix E1: Actual compared with Revenue and Expenditure (continued)

as at 30 June 2010

	Actual	Budget	Variance	Variance	Explanation for variances greater than 10%
	2010	2010	2010	2010	
	R	R	R	R	
EXPENDITURE					
Council general	11 010 219	12 644 998	(1 634 779)	(12.93%)	Repairs and maintenance in terms of rural roads were underspent due to work currently being undertaken via the Disaster Rehabilitation Programme.
Financial services	16 396 685	14 278 760	2 117 925	14.83%	The Contribution for providing for the post-retirement and long service benefits was calculated by actuarial valuers, and therefore was in excess of the budgetary provision identified
Technical services	44 700 220	30 589 461	14 110 759	46.13%	The increased expenditure is attributed to the grant provided for the Park Rynie Industrial Park, funded from the Disaster Management Grant, as well as additional depreciation raised than the value budgeted for
Corporate services	9 762 376	10 150 318	(387 942)	(3.82%)	
Community services	24 269 505	27 176 306	(2 906 801)	(10.70%)	Assets anticipated to be purchased and funded via operational revenue had not been procured in the year under review
Planning and development	4 040 343	3 591 392	448 951	12.50%	Expenditure relating to grants were recognised at a higher value than budgeted for
Total expenditure	110 179 349	98 431 235	11 748 114	11.94%	
NET SURPLUS/ (DEFICIT) FOR THE YEAR	109 151 636	17 806	109 133 831	612 904.81%	

Appendix E2: Actual versus Budget – Aquisition of Property, Plant and Equipment

as at 30 June 2010

	2010 total additions	2010 budget	2010 variance	2010 variance
	R	R	R	%
Council general	214 267	218 213	3 946	1.81%
Financial services	41 901	70 112	28 211	40.24%
Technical services	94 234 066	108 819 376	14 585 310	13.40%
Corporate services	114 898	112 809	(2 089)	(1.85%)
Community services	13 526 993	13 314 468	(212 525)	(1.60%)
Planning and development	26 070	12 560	(13 510)	(107.56%)
	108 158 195	122 547 538	14 389 343	11.74%

Appendix F: Disclosure of Grants and Subsidies in Terms of Section 123 of MFMA, 56 of 2003

as at 30 June 2010

Name of grants	Name of organ of state or Municipal entity	RECEIPTS				
		Total 1.07.2009	July to Sept 1	Oct to Dec 2	Jan to Mar 3	April to June 4
Renaissance Project	KZN Dept of Housing	(352 973)				
Capacity Development	DTLGA	(14 620)				
GIS Capacity Building	DTLGA	(150 658)				
Skills Training Centre	DTLGA	(195 364)				
Spatial Development LUMS	DTLGA	(25 088)				
Land Use Management System	DTLGA	(3 920)				
Municipal Infrastructure Grant	National Treasury	(7 177 076)	(2 500 000)	(500 000)	(3 821 000)	(649 000)
Municipal Infrastructure Grant Flood Damage	National Treasury	(347 875 852)				
MIG Tidal Surge	National Treasury	(2 189 807)				
Umdoni Tourist Plan	European Community Grant	3 556				
Umdoni Industrial Development	European Community Grant	(50 083)				
Umdoni SMME	European Community Grant	(65 491)				
Agricultural Dev Stat	European Community Grant	(16 462)				
Umdoni Bus Ret & Exp	European Community Grant	(25 382)				
Environmental Management Practice	KZN Agric & Env Affairs	(6 703)			(150 000)	
Malangeni Library	KZN Library Services	(676 676)	(2 805 736)	(1 470 020)		
Scottburgh Library Internet	KZN Library Services	(85 200)				
SETA	Local Gov Seta	(67 434)	(14 153)	(76 885)	(58 554)	(32 699)
Finance Management Grant	National Treasury	(217 525)	(750 000)		(750 000)	
MSIG	National Treasury	(278 895)		(735 000)		
Communal Gardens Upgrade (LED)	Old Mutual	(96 739)		(250 000)		(250 000)
Malangeni Library – Cybercadet	DTLGA	–			(78 900)	
Strategic Env Assess	Ugu District Municipality	(725 000)				
Tourist Development	Ugu District Municipality	(114 319)		(9 361)		
Sustainable Livelihood	Ugu District Municipality	(11 473)				
Flagship Feasability Study	Ugu District Municipality	(259 800)				
Youth Development	Ugu District Municipality	(114 733)				
IDP Review Grant	DTLGA	–		(51 000)		(100 000)
Disaster Centre	DTLGA	–		(3 000 000)		
		(360 793 715)	(6 069 889)	(6 092 266)	(4 858 454)	(1 031 699)

EXPENDITURE					Grants and subsidies delayed or withheld	Reason for delay with-holding of funds	Did your Municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act?	Reason for non-compliance
July to Sept	Oct to Dec	Jan to Mar	April to June	Bal 30.06.2010				
1	2	3	4					
12 190	15 930			(324 853)	Nil	NA	Yes	NA
		14 620		–	Nil	NA	Yes	NA
150 658				–	Nil	NA	Yes	NA
10 201	10 286	5 463		(169 414)	Nil	NA	Yes	NA
700	20 000	4 388		–	Nil	NA	Yes	NA
3 920				–	Nil	NA	Yes	NA
1 031 987	1 602 687	2 972 712	2 307 135	(6 732 555)	Nil	NA	Yes	NA
4 316 973	20 259 890	12 873 778	54 242 533	(256 182 678)				
409 191	281 902			(1 498 714)	Nil	NA	Yes	NA
				3 556	Nil	NA	Yes	NA
				(50 083)	Nil	NA	Yes	NA
				(65 491)	Nil	NA	Yes	NA
				(16 462)	Nil	NA	Yes	NA
				(25 382)	Nil	NA	Yes	NA
	8 932			(147 771)	Nil	NA	Yes	NA
1 780 122	2 522 866	133 550	469 467	(46 427)	Nil	NA	Yes	NA
11 356	19 725	13 150	27 030	(13 939)	Nil	NA	Yes	NA
13 433	14 104	17 769	148 042	(56 377)	Nil	NA	Yes	NA
316 701	193 823	207 311	209 849	(789 841)	Nil	NA	Yes	NA
895 271	13 500	15 604	67 513	(22 007)	Nil	NA	Yes	NA
90 972	110 000	141 442		(254 325)	Nil	NA	Yes	NA
				(78 900)	Nil	NA	Yes	NA
				(725 000)	Nil	NA	Yes	NA
	1 047		3 600	(119 033)	Nil	NA	Yes	NA
	8 798	2 675		0	Nil	NA	Yes	NA
	188 461	10 000	61 339	0	Nil	NA	Yes	NA
56 213	57 475	54 402	50 833	104 190	Nil	NA	Yes	NA
	45 600		2 933	(102 467)	Nil	NA	Yes	NA
	1 496 380	2 982	592 262	(908 376)	Nil	NA	Yes	NA
9 099 888	26 871 406	16 469 846	58 182 536	(268 222 347)				

FUNCTIONAL AREA SERVICE DELIVERY

Office of the Municipal Manager



Development Section

Integrated development plan (IDP)

The IDP has a lifespan of five years that is linked directly to the term of office for local Councillors, however this strategic document is reviewed annually. Apartheid spatial planning ensured that the majority of our people were located far from areas of social and economic opportunities. This spatial marginalisation from economic opportunities is still a significant feature of our space economy that needs to be addressed in order to reduce poverty and inequality, and ensure shared growth.

Statistical data within the IDP process remains a challenge within the Municipality; to a large extent the Municipality utilised the community survey by Statistics South Africa, however, the challenge with the 2007 survey is that it does not go down to ward and municipal level, which makes it difficult to obtain data. It is acknowledged that other sources of data can be obtained and the Municipality must constantly strive to obtain such data. More effort still needs to be made for the next review. In this year's review, more efforts were made to ensure inclusive public participation, however, there is still room for improvement.

Institutional arrangement

Institutionally, the IDP is placed within the Office of the Municipal Manager where the Senior Manager Strategic Planning and Development is responsible for the management and coordination of the IDP review process. During the 2009/2010 financial year, the document was prepared in-house. To assist in IDP Manager, a Development Planner was appointed on a contractual basis in February 2010.

IDP process plan

The Municipal Systems Act (Act 32 of 2000) stipulates clearly that municipalities must prepare an Integrated Development Plan as their strategic document for the five-year term of Council. In developing the IDP, the process plan must be prepared and adopted by Council. Umdoni embarked on the joint process plan for the budget and IDP process. The Council's IDP Process Plan was adopted on 26 August 2009.

Preparing for the 2010/2011 IDP review

It should be noted that during the 2009/2010 financial year, the IDP review was for the 2010/2011 financial year. The following processes were followed during the review of the IDP for the 2010/2011 implementation period:

- For the period of 2009/2010 review the District Municipality, together with its family of municipalities, advertised its intention to begin the **2010/2011 IDP Review process** during September 2009. The advert was placed by the District Municipality in an attempt to save costs and to assist the municipalities with less financial muscle. A Council resolution was obtained giving approval for the Municipality to allow the district to place one advert.
- The IDP Process plan was adopted by Council at its August 2009 Council meeting.
- In November, community consultation meetings were held in the form of Mayoral Izimbizos for different ward clusters. As per advertisement of the IDP process, and as per the approved IDP process plan, workshops were rolled out within the Mayoral Izimbizo programme. These workshops involved a ward-level approach. IDP/Budget Roadshows also took place in March/April 2010.

The following processes were undertaken:

- IDP Representative Forum was held.
- IDP workshop was held where alignment with MTSF priorities and developmental indicators was undertaken.
- IDP Representative Forum was held to discuss the Spatial Development Framework.
- The Municipal Strategic Planning Session was held with the Municipal administration and political leadership. Here, objectives, targets and indicators were considered and agreed on by Council. The Turn Around Strategy was also discussed and aligned to this platform.
- District Legkotla was attended to ensure alignment.
- A number of District Representative Forum meetings were attended to ensure alignment between the district and the locals. These were inclusive of the Planners Forum meetings which fed directly to the district's Representative Forum.
- Another strategic planning session was held with top and middle management for implementation.
- An IDP engagement workshop was held on 14 May 2010.
- Subsequent to the workshop, IDP/Budget Roadshows also took place in April in a joint venture with the District Municipality.
- The draft document for the 2010/2011 IDP Review was further advertised for 21-days for public comments.
- The IDP was workshopped with Councillors and officials.
- The IDP reviewed document was adopted on 26 May 2010.



MEC comments

The Municipality received its comments from the MEC. The following issues were highlighted by the MEC:

KPA	Matter	Action to be undertaken
Municipal transformation and institutional development	PMS	A section on this document is dedicated to the OPMS. The Municipality currently has a combined document as both the SDBIP and PMS
	Annual Report not incorporated into the IDP	The annual report has been attached to this document
	Human Resource Strategy responding to the long term development goals aligned with those of the IDP	Even the strategy <i>per se</i> does not exist, however, all the policies that are required for the strategy exist within the Municipality. Also refer to the annexure's for the list of all existing policies
LED	LED plan to be integrated into the IDP	The LED plan has been aligned and integrated into the IDP in the 2010/2011 review
	Development of objectives, strategies, timeframes and budgets to indicate implementation of LED	Financial constraints experienced by the Municipality makes it difficult to set budgets for implementation of the LED plan. However, the plan itself now needs to be reviewed. Funding is always sourced from external partners, making it difficult to commit in terms of the budget
	Establishment of appropriate LED structures to further promote LED	The Umdoni LED Forum will be established and fully functional in the 2010/2011 financial year
Basic service delivery and infrastructure	Preparation of Waste Management Plan	The draft document has been prepared, however, it awaits the public participation process and further to that Council adoption
	Preparation of Integrated Infrastructure Investment Plan	No funding currently exists to fund this plan. The Municipality will endeavor to source funding in 2010/2011
Financial viability and management	Financial plan	
	Layout of budget information	The previous information has been re-aligned, however further suggestions will be welcomed by the Municipality.
	Alignment of Budget, IDP and PMS	The Municipality developed a combined IDP, PMS and budget process plan to ensure alignment of the three processes.
Good governance and community participation	Role of traditional leaders and their participation in municipal initiatives	All engagements that take place in the Municipality involve traditional leaders and furthermore, they are part of the Umdoni stakeholder database
	Communication plan	The strategy exists, however, it is in the process of being reviewed in the 2010/2011 financial year
Spatial development framework	Attach SDF as an annexure	The SDF has been attached as an annexure and a chapter talking to the SDF also exists in this document
	Preparation of an Strategic Environmental Assessment (SEA) aligned to SDF and LUMS	Funding has been received to prepare the SEA and the project will commence in June 2010. The consultants will then be engaged to ensure alignment thereof
	Preparation of the Environmental Management Plan (EMP) aligned to SDF and LUMS	The EMP will be part of the SEA. See above comments
	Spatially reflect the capital investment plan and fully integrate into IDP and SDF	Due to the non-existence of the Integrated Infrastructure Investment Plan, alignment can be achieved when this plan is being prepared. Once funding is secured and the plan is implemented, service providers will be engaged in the subject matter

The MEC comments received by the Municipality were submitted through to council and were further discussed at the Municipal strategic planning session. To ensure that alignment of the MEC comments is undertaken and issues are addressed, a management response letter was undertaken indicating the responsible person and timeframes, where applicable.

Challenges

The IDP is improving, however, there are still common challenges that seem to arise. The following lists a few of the challenges experienced during the 2010-2011 review:

- Budgetary constraints.
- Resistance experienced from certain HODs, with respect to their contribution to the IDP.
- To a certain extent the IDP still being seen as a one-woman document.
- Obtaining information, especially the METF of the various departments, in time.
- Environmental management plans are still outstanding.
- Various sector plans are outstanding for which the Municipality has no funding.

Performance management

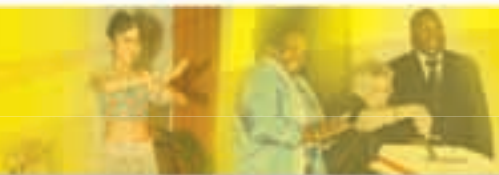
The Organisational Performance Management System that is reviewed in 2009/2010 is that which is implemented during the 2010/2011 financial year. During the financial year under review the Municipality adopted an SDBIP and an OPMS, whereas previously, the Municipality used the SDBIP only, which served a dual purpose of a PMS and an SDBIP.

During the review, the following documents previously adopted were utilised and reviewed and adopted in the June Council meeting:

- PMS framework
- PMS policy
- Guidelines for appraisal committee
- 2010/2011 SDBIP
- 2010/2011 OPMS.

All Section 57 managers had their contracts prepared and signed. Four quarterly reviews were held within the financial year, in which the first and third quarter were submitted to the respective portfolio committees and bi-annual and annual performance reviews were conducted in a one-day session with all the Councillors and HODs invited.

Organisational Performance Management Systems is still experiencing great challenges and Umdoni is no exception. However, Umdoni Municipality constantly endeavours to achieve better efficiency in terms of performance management so as to better improve the monitoring and evaluation of service delivery within our institution. This has now been given greater emphasis since performance will now be audited and will contribute largely to the Municipality getting a qualified or unqualified audit opinion.



Local economic development (LED)

Programme	Initiative	Achievement
SMME Development	Trainings (Money Management): The training is a three-day money management training that is funded by the Old Mutual Foundation and the service provider is Old Mutual SEDA – UGU Seda provides business-related services e.g. Business Plans, Due-Diligence, Promotional Material, etc. They operate a satellite office at Umzinto for Umdoni SMME	<ul style="list-style-type: none">• 137 people attended the sessions (21, 22, 23 July 2010)• 15 SMMEs attended To date, records show the following: <ul style="list-style-type: none">• 31 SMMEs have applied for Seda services• Five SMMEs have been approved for business plans
Cooperatives Development	Training (Money Management): The training is a three-day training that is funded by Old Mutual Foundation and the service provider Old Mutual Catering Training (Esayidi FET College): one-week training that is funded and facilitated by DEDT (January) Formation of the Ugu Savings Club for Umdoni Municipality Formation of Consumer Cooperatives Zamani Poultry Project	<ul style="list-style-type: none">• 137 people attended• 46 cooperatives were trained (21, 22, 23 June 2010)• Three cooperatives attended• Five cooperatives committed to joining the savings club• 18 cooperatives have joined the programme• Business Plan has been completed by Delloite and submitted to DTI for grant funding
Tourism Development	Feasibility of the Tourism Office, Arts and Craft Centre and Museum. The project is funded by the Department of Economic Development and Tourism Training (Business Skills Programme) for SMMEs in Tourism. The training was facilitated by South Coast Tourism	<ul style="list-style-type: none">• Study was presented to Council on 29 June 2010• Ten SMMEs from Umdoni attended
Industrial Development	Rehabilitation of the Park Rynie Industrial Park	Contractor has commenced with the project and is expected to be complete in November 2010 Monthly reports are submitted to the Municipality by the contractor

Rural development

A large part of the municipal area is made up of the rural communities with the urban area being concentrated mainly along the coastal belt. The unit is under-resourced as it is currently being serviced by one individual, the Community Development Officer.

Alternative Energy Project

The project began in the year 2006/2007 with only 1 000 beneficiaries and each year subsequent, the Umdoni Council has added 1 000 households to the beneficiary list. The Umdoni Council resolved that all un-electrified areas within Umdoni Municipality should benefit from this project, including informal settlements and rural areas.

Ward	Area	2006/2007	2007/2008	2008/2009	2009/2010
Ward 1	Mgobhozini Lwasini	100 100	20 10	Nil	Nil
Ward 2	Okhalweni Mgwempisi	121 115	Nil	Nil	Nil
Ward 3	Roseville Alexandra Mbetheni Kiss Kiss	100 200 86	186 66 20	Nil	Nil
Ward 6	Hazelwood Sanathan NPA	101 163	70 522 20	Nil	Nil
Ward 7	Kelso Informal C view	Nil	Nil	100 100	Nil
Ward 8	Beneva	Nil	Nil	230	Nil
Ward 9	Phase 2 Entabeni D Zone Zwelisha	Nil	NIL	100 25 25 20	Nil
Ward 8	Phase 3	Nil	Nil	Nil	400
Ward 9	Phase 2	Nil	Nil	Nil	600
Total		1 000	1 000	600	1 000

During the year under review, 1 000 new households benefited from the alternative energy project. Initially, the total number of beneficiaries in this project were 4 000. Eskom electrified 400 households who were benefiting from the ethanol gel project, thus only 3 600 households benefited from the gel project at the end of 2009/2010 financial year.

Criteria to select the beneficiaries

The main reasons the Umdoni Council embarked on this project was that the use of common fuels like paraffin and firewood is expensive, not safe and time-consuming for the community. All households in rural and informal settlements without electricity benefit from this project irrespective of the level of income per households.

In order for the Municipality to develop a proper database for the beneficiaries, the delegated Municipal official must work closely with the Ward Councillor and Ward Committee. The Ward Councillor and the Municipal official know everything about the budget allocated to the project and Ward Committee members know exactly who live in a particular area and how many people live in a particular household.

Ethanol Gel Business Project

The Ethanol Gel Business Project is an initiative supported by Sasol, of which Chemcity is a subsidiary. The project targets all municipalities that supply alternative energy gel products to their indigent households or all households without electricity in their jurisdiction. The minimum number of households required for the Municipality to benefit from this project is 1 000. The project requires that the Municipality identify preferably registered cooperatives who will sell ethanol gel products to the local community. The Municipality embarked on this project after the unit was requested to look for service providers who would sell the gel at a cheaper price to the communities.

There are two cooperatives that sell gel to local communities. They are Sukumani cooperative from Ward 9 with eight members and Senzangothando cooperative from Ward 2 with eight members. The third cooperative is Vukuzenzele in Ward 1, but because they were not officially registered, Chemcity has begun registering them first before they are included in the project. The two cooperatives already running have been given the following start-up



kits by Chemcity:

- Container with shelves worth R40 000
- Starter up stock worth R15 000
- Business management training
- On-going mentoring support.

Communal gardens

Umdoni Municipality has assisted 11 communal gardens from six different wards in 2009/2010 financial year. Some of the money used to assist these gardens was from a grant from Old Mutual and the remainder was budgeted for by Umdoni Municipality. Two out of the eleven communal gardens were assisted by being given an opportunity to sell ethanol gel to their surrounding communities. These cooperatives were given fully installed containers, startup stock and business management training by Sasol, as mentioned above. The list of communal gardens assisted, type of assistance given and quantifiable costs for each garden are found in the following spread sheet:

Ward	Name of communal garden	Type of assistance	Quantifiable costs	Other comments
Ward 1	Asethembane	Irrigation (engine, tank)	R 79 800	OM grant
	Vukuzenzele	Fencing	R 60 500	Grant
Ward 2	Sizakancane	Registration to department of agriculture and tractor	No financial cost	Nil
	Zithuthukise/ Senzangothando	Registration to department of agriculture and tractor	No financial cost	
	Philani Communal Garden	Two double galvanised gates	R 1 609	Grant
	Thuthukani/ Senzangothando	Container and gel start-up stock together with training in business management	Container R 40 000 Startup stock R15 000	These are also operating as communal gardens
Ward 3	Siyavuna Zwanani	Two water tanks and their stands	R 6 166	Grant
Ward 4	Dubandlela Co-op	Irrigation (tank, engine, sprinklers)	R 155 250	OM grant
Ward 8	Bongungwane	Irrigation (tank, engine, sprinklers)	R 140 000	OM grant
	Bongumngoma	Irrigation (tank, engine, sprinklers)	R 110 000	OM grant
Ward 9	Sukumani Cooperative	Container and gel start-up stock together with training in business management	Container R40 000 Startup stock R15 000	These are also operating as communal gardens

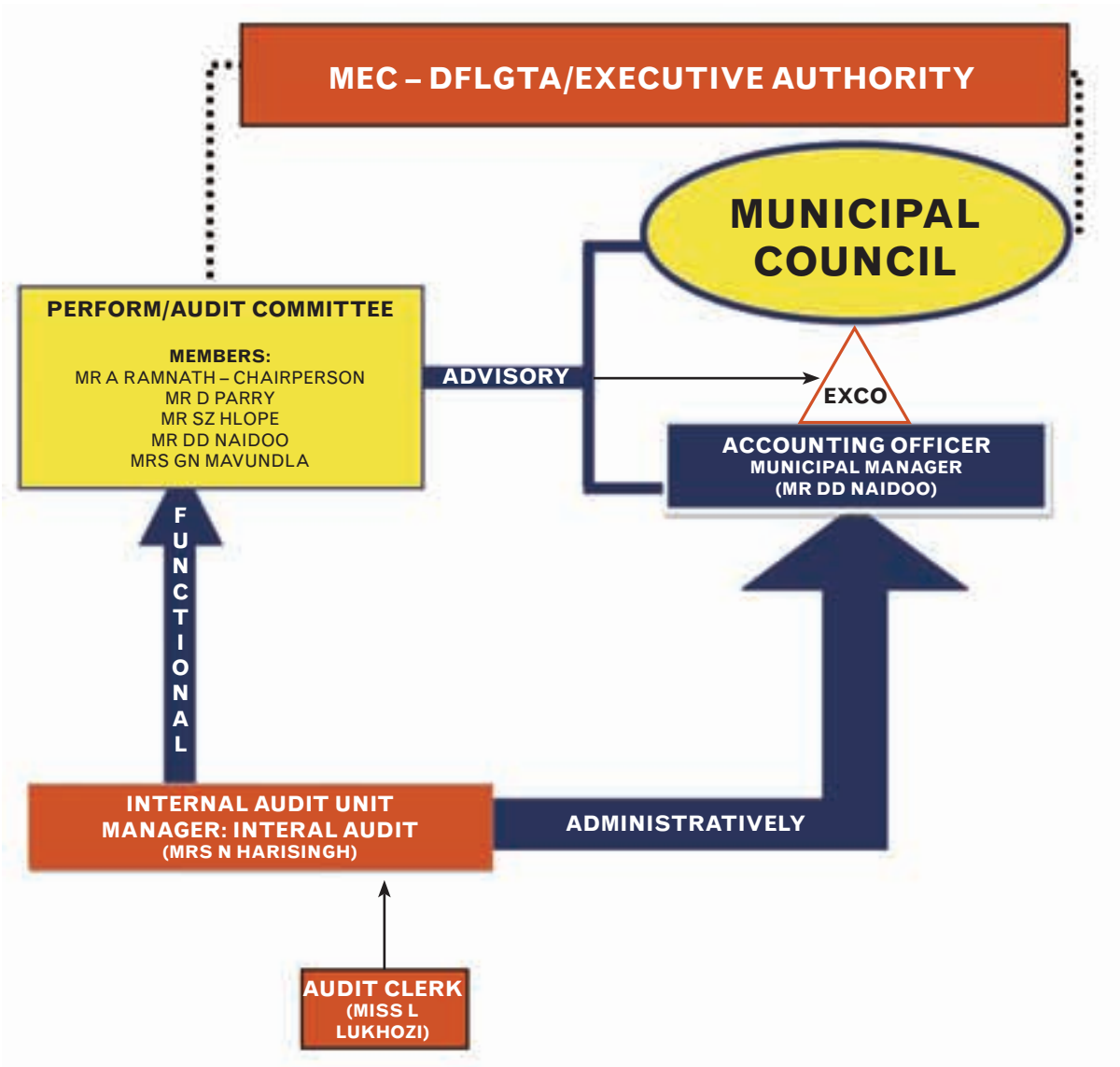
Beachfront development

A few years back, Council considered the identification and potential of strategically located Council-owned land in the Umdoni seaside corridor between the Mbambanyoni and Umzinto Rivers. The intention was to suggest market-related uses for this land, where possible, to create Council-backed development initiatives that could act as catalytic projects, principally in the key economic sector of tourism. Where necessary and/ or possible, other quasi-state land and strategically located private tracts of land have also been identified to develop synergy within a broadly defined development framework. This work was undertaken by the Realtyworks team in terms of an agreement with the Umdoni Municipality for the provision of a first phase.

Upon completion of the first phase, the next phase was the call for the Expression of Interest (EOI) by service providers. However, in order for one to go ahead, there were negotiations that were underway with Intersite so as to ascertain and negotiate for air-rights over the railway line prior to the draft EOI document going out to the public. Getting air-rights would have added more potential to the site as it would eliminate the buffer that is created by the railway line. Hence, during this process, the external advertising and finalising of the of the EOI document was delayed, until Council took a resolution to go ahead and advertise the EOI without the air-rights.

Internal Audit Section

Structure of the Internal Audit



Structure of the Audit Committee

Parallel to Section 165 Chapter 14 of the Municipal Finance Management Act (MFMA), Umdoni Municipality continues to sustain its own Internal Audit Unit. As per legislative directives, the unit is statutorily driven. The Audit Committee and the Internal Audit Unit are governed by respective charters which are reviewed and adopted annually by Council. The Audit Committee reports directly to Council. The Committee comprises five members, three of which are external members who have been recruited via public tender. The members are Mr Anil Ramnath, who is the Chairman, Mr Dave Parry and Mr SZ Hlope. The other two members are part of Umdoni Municipality's senior management team, being the Municipal Manager, Mr DD Naidoo and the General Manager: Corporate Services, Mrs GN Mavundla. The Manager: Internal Audit, Mrs N Harisingh and the General Manager: Financial Services, Mr A Nunkumar fulfill their roles as in-attendance at the Audit Committee as per the Audit Committee Charter.



Structure of the Performance Audit Committee

Council adopted the Audit Committee as it's Performance Audit Committee. The first set of such meetings were held in 2008-2009 and continue to date. Legislatively, the Committee must sit twice for a financial year. Also statutorily established under the auspices of the Charter of the Audit Committee serving as it's Terms of Reference, the Performance Audit Committee continues to function with Manager: Internal Audit, Mrs N Harisingh and the Senior Manager Strategic Planning & Development, Ms B Jaca fulfilling their roles at the Performance Audit Committee.

Functions

The Performance Audit Committee provides an independent, objective assurance and consulting activity that adds value and improves the operations of the Municipality. It helps the organisation to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process.

The Internal Audit Unit utilises the standards as set by the Institute of Internal Auditors (IIASA), a body which functions within a professional practice framework being the Standards of Best Practice of Internal Auditing, which became effective on 1 January 2004, Version 05/03/2004. Internal Audit has endeavoured to be very strong on its code of ethics.

Deliverables and achievements

The year under review has brought about a myriad of unexpected and unplanned events primarily due to the cascading, overarching local government developmental priorities and deliverables. Municipalities, being the 'engine room of local government', are entrusted with the task of implementation on the said priorities and deliverables.

It is therefore befitting to narrate the progression of the planned developments raised for attention in the year under review as indicated in the Annual Report 2008-2009, this being the departure point of the Internal Audit Section.

Assignments		Jul 2009	Aug 2009	Sep 2009	Oct 2009	Nov 2009	Dec 2009	Jan 2010	Feb 2010	Mar 2010	Apr 2010	May 2010	Jun 2010
1	Risk Assessment & Audit Plan												
2	Review of Performance Management System												
3	Follow up – Housing (Finance & Administration)												
	Follow up – Order to Cash												
	Follow up – Auxiliary & Registry												
	Follow up – Asset Management												
	Follow up –Traffic Management												
	Follow up – Fleet Management												
4	Internal Controls: Municipality & per department												
5	IT Review												
6	Procure to Pay – specific to SCM compliance												
7	Compliance with Municipal Finance Management Act												

External service provider to assist (Umdoni's procurement process)

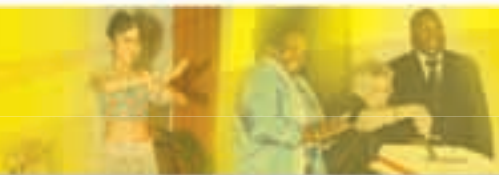
Internal – dependent on Status Quo Report

Internal Audit (in-house and Shared Services)

Audit Report 2008-09: Plan of Corrective Measures

Internal Audit was tasked with the responsibility of monitoring and evaluating the adherence of the Action Plan stemming from the Plan of Corrective Measures for the Audit Report 2008-2009 (A-G), including matters arising from the Management Report 2008-2009 (A-G). All matters were successfully attended to.

REGULARITY AUDIT					
Category	Ref.	Findings	Action plan	Person resp.	Due date
Unauthorised Expenditure	9	As disclosed in note 34 to the financial statements, unauthorised expenditure of R2.1 million was incurred by the Municipality as the total expenditure of the Municipality exceeded the approved budget. R1.7 million thereof related to unbudgeted expenditure for the running of the clinics and was condoned by the Municipality during the year under review	This expenditure is predominantly due to the flood disaster and continued service of the clinics. These were occasioned by emergency circumstances and must be taken in context of the R 26.5 million surplus recognised To avoid a re-occurrence, however, all unauthorised expenditure shall be reported monthly to Finance and submitted during January, March and June to Council to effect the necessary budget adjustments	GMFS and all HODs	Ongoing
	10	As disclosed in note 34 to the financial statements, irregular expenditure of R1,68 million was incurred, as supply chain management regulations were not adhered to	The irregular expenditure arises from non-compliance with the Supply Chain Management regulations • A revised deviation form has been developed to ensure objectivity in evaluating the need for a deviation • In addition, a SCM checklist will be implemented to ensure adherence to the necessary aspects of the policy and regulations e.g. tax clearances, minimum number of quotes, etc. • No order shall be issued until all the necessary requirements have been met • Periodic reporting per six, nine and 12 months on the maintenance of monthly updated registers aligned to overspending and the request for vote transfers per department shall be enforced Over and above detail procedures in terms of the SMC policy shall be further documented to ensure all are fully aware of the requirements which will be strictly monitored during the 2009/2010 year	GMFS	Ongoing
Irregular Expenditure	11	As disclosed in note 34, irregular expenditure of R200 000 was incurred due to a payment to an entity outside government without complying with section 67 of MFMA	Due to the delay in registration of South Coast Tourism (the controlling body for tourism in Ugu), the payment was effected to Hibiscus Coast Tourism in order to ensure the sustainability and continued promotion of tourism in Umdoni This represents a once-off item which shall not re-occur in the 2009/2010 year In addition, no payments shall be authorised to organisations performing a service on behalf of Umdoni unless a 'SLA' has been signed	All HODs	Ongoing



Category	Ref.	Findings	Action Plan	Person Resp.	Due Date
Restatement of corresponding figures	12	As disclosed in Note 35 to the financial statements, the corresponding figures for fixed assets and accumulated surplus for the year ended 30 June 2008 was restated by a total of R3,27 million as a result of the error of incorrectly recording the payment for the valuation roll, discovered during 2009	Umdoni Municipality initially recognised the valuation roll as a capital item, however, subsequent guidance from the ASB, required us to recognise the expense as operational expenditure This was a once-off adjustment and shall not re-occur in the 2009/2010 year.	GMFS	Once-Off
Municipal Finance Management Act	15	The Municipality did not comply with section 65(2) (e) of the Municipal Finance Management Act that requires all payments to be made within 30 days	Certain payments are effected over the 30 days stipulated time-frame. This transpires in certain circumstances should there be a query on the invoice A work flow programme shall be developed to ensure that all departments are aware of their roles and time-frames in the payment process. Further, the Municipality shall return incorrect invoices immediately to avoid being in contravention of the MFMA due to the suppliers error	MIA, All HODs	February 2010
Governance - SCOPA	19	Key governance strategies have been implemented, however, a lack of review over the financial reporting process by those charged with the governance of the Municipality and outstanding policies on irregular expenditure and unauthorised expenditure have resulted in material adjustments to the financial statements. The Municipality did not have a municipal SCOPA as at 30 June 2009	Council at it's meeting held on 28 Oct 2009 resolved as follows: "That Department of Local Government & Traditional Affairs be requested to hold a District-wide presentation in order to obtain further clarity prior to the establishment of a Municipal SCOPA." The following issues are to be dealt with for MPAC: • Composition of the Committee • Terms of reference • Frequency of meetings • Reporting structures • Legislative powers • Timeframes for establishment etc...	MM, MIA	March 2010
PERFORMANCE AUDIT					
Municipal Systems Act	16	Senior municipal staff did not sign their performance agreements within one month of the start of the financial year as required by section 57(1)(b) of the Municipal System's Act	Compliance will be ensured for the 2010/2011 financial year. Performance contracts to be completed in line with the SDBIP/PMS	Ms EB Jaca	31 July 2010
Non-compliance with regulatory requirements	26	The integrated development plan of the Municipality did not include key performance indicators and targets determined in terms of its performance management system, as required by sections 26(i) and 41(1)(b) of the MSA and regulation 12 of the Municipal Planning and Performance Management	The 2010/2011 review will reflect this as assistance will be received from province and district shared services. Process already underway to ensure that the 2010/2011 document complies	Ms EB Jaca	30 June 2010
	27	Furthermore, the objectives of the integrated development plan are not clearly linked to the objectives and targets on the service delivery budget implementation plan	Compliance to be achieved in the 2010/2011 as province is already involved in facilitating IDP workshop to ensure alignment is done accordingly	Ms EB Jaca	30 June 2010

Category	Ref.	Findings	Action plan	Person resp.	Due date
Inadequate quarterly reporting on performance information	28	The quarterly reports of the Municipality did not track outputs, indicators and targets as per the approved integrated development plan and therefore did not facilitate effective performance monitoring and evaluation	Compliance will be achieved in the FY 2010/2011. The district shared service and province are currently being involved	Ms EB Jaka	30 Oct 2010
Reported performance information not reliable	29	The actual achievements with regard to all indicators and targets specified in the 2008-2009 integrated development plan for the objectives universal basic service provision and housing were not reported on throughout the financial year	FY 2010/2011 will ensure alignment of all indicators as the process has already begun to ensure compliance	Ms EB Jaka	30 June 2010

Challenges

Local government has a significant role to play in government's responsibility to provide services to stakeholders. The accounting and auditing profession can assist beyond financial statement audit and advice and make a meaningful impact on our Municipality and our quest to better deliver against the service promise. Stakeholders are placing more emphasis on measurable objectives and outcomes, including the President, Cabinet, parliament, MECs and other municipal councils.

The attainment of Umdoni's third consecutive Unqualified Audit Report puts Umdoni on the correct path of achieving deliverables to the Clean Audit 2014, as earmarked for Umdoni 'Clean Audit 2012'. The quality of and resultant Audit Report is now being utilised as a primary yardstick and benchmarking tool to assess the Municipality's administrative capacity and performance competency. The challenge is indeed Performance Management (PMS) as a whole.

The Auditor-General's current strategy of issuing an audit opinion on performance information to management for the year ended 30 June 2010 and including such a report for Umdoni Municipality in 2012 (medium capacity), is certainly increasing the urgency of our Municipality to assess our current situation and improve the system. Internal Audit attends to the performance reporting and verification processes.

The phased-in approach has revealed a number of issues which are corrected and improved and will place our Municipality in a better position, not only to report on performance against pre-determined objectives, but to take timely corrective action in such areas where non-achievement prevails with regard to our service mandate. Some issues identified for the year under review are as follows:

- ineffective and inefficient system of internal controls to determine, collect, analyse, verify and report performance;
- Key Performance Indicators (KPIs) not meeting the 'SMART' criteria as set by National Treasury in the Framework for Reporting Programme Performance issued in May 2007;
- inconsistent reporting between annual business plan, monthly reports, quarterly reports and annual reports;
- lack of supporting evidence regarding actual performance reported or evidence that shows differences between performance reported and that of supporting documentation.

The above will enable all stakeholders and communities to gauge and measure the performance of the Municipality in supplying services to its constituencies. However, in the absence of such accountability it cannot be questioned.

The benefits of the PMS must not be underestimated. A credible OPMS is crucial for our Municipality to meet its mandate and provide an added incentive of obtaining and unqualified performance information



audit report. Improving performance therefore, starts with improved performance reporting.

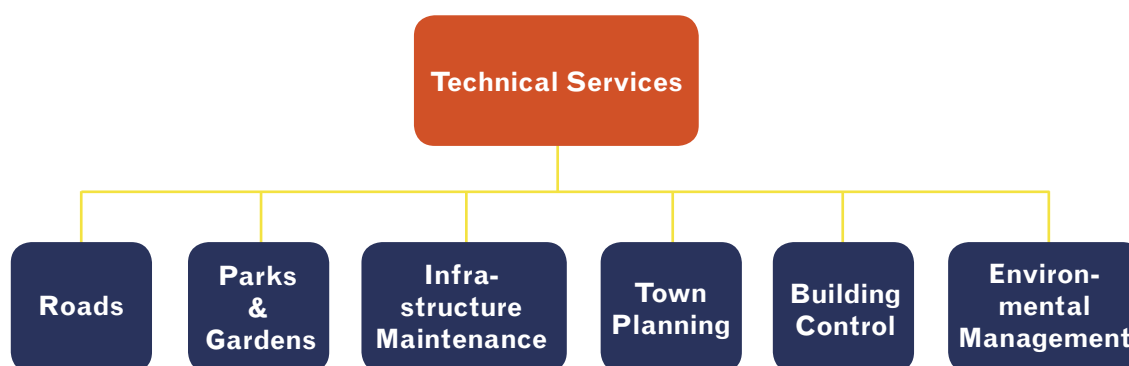
It is hoped that the new FY 2010-2011 will endeavour to address all such identified shortcomings with a direct responsibility for performance competencies.

Planned developments

It is believed that self-isolation and an insular existence is unsustainable in a transitional environment such as Umdoni's. Therefore the unit employed the following strategy for the 2010-2011 financial year:

Key performance areas	Sub-programme	Strategy process	Objectives
Financial viability (Audit Report)	Maintenance of an Unqualified Audit Report	Monitor and evaluate all action plans. Ensure that all internal controls	Ensure sustainability of the Unqualified status
Governance (anti-fraud corruption)	<ul style="list-style-type: none"> • Anti Fraud Corruption Strategy • Fraud Prevention Plan - Implementation • Awareness Programme – Internally & Externally 4. Presidential Hotline 	<ul style="list-style-type: none"> • To introduce detection controls in order to deter fraud on a ongoing basis • Implement Fraud Prevention Plan 	Ensure that fraudulent & corrupt activities be detected, reduced and prevented Encourage and foster a conducive environment and ethical workforce
Governance (Risk Management)	Risk Management Strategy & Risk Management Committee	<ul style="list-style-type: none"> • To ensure that preventative measures are in place to minimise and mitigate risk on an ongoing basis • Inculcate a culture of risk management and control 	Our Municipality must endeavour to reach a break-even point between risk and control to establish a conducive environment
Governance (policies, procedures and systems)	<ul style="list-style-type: none"> • Monitor and evaluate progressive development of the Policy and Procedure Register • Compliance with policies and procedures 	<ul style="list-style-type: none"> • Ensure the formulation and adoption of policies and procedures • Ensure processes in place to acquire systems 	To ensure the development of and compliance with policies and procedures and to maintain the Register Inculcate a culture of compliance and to maintain an enabling/sustainable register
Governance (M&E - action plans)	<ul style="list-style-type: none"> • Monitor & Evaluate progressive implementation of Plan of Corrective Measures for Regularity Audit • Monitor and evaluate progressive implementation of Plan of Corrective Measures for Performance Audit • Implementation of Audit Process Plan and timetable 	Monitoring and evaluation, implementation of plan of corrective measures emanating from audit reports (a-g & other) Successfully implemented plan of corrective measures	To ensure the compliance with Plan of Corrective Measures. Inculcate a culture of compliance and to maintain an enabling/sustainable working environment
Governance (oversight role: co-ordination)	Co-ordinate meetings: <ul style="list-style-type: none"> • SCOPA • Audit Committees • Performance Audit Committee • Audit Steering Committee Implement Annual Internal Audit Plan. Assessment for: <ul style="list-style-type: none"> • Internal Audit • Audit Committee 	<ul style="list-style-type: none"> • Oversight roles • Legislative requirements • Batho Pele Principles 	<ul style="list-style-type: none"> • To foster meaningful relations with all communities in the affairs of the Municipality and to eradicate unethical behaviour • Inculcate a culture of transparency and meaningful relations and unethical behaviour

Technical Services Department



Technical services is responsible for making sure that they provide the basic services to the people in the Umdoni Area. There are numerous services and service levels that can be provided, but the most important are listed below:

- Environmental Management
- Building Control
- Town Planning
- Project Management Unit
- Parks & Gardens
- Refuse Removal
- Roads and Storm water
- Building Maintenance
- Workshop.

The department is responsible for implementation and monitoring of Municipal infrastructure as a core function. The overall aim is to improve the quality of life of all communities in Umdoni, particularly the poorest without compromising the ability to operate and maintain services already provided. Undoubtedly, the most important is the 'level' at which the service is provided.

Building Control Section

Compliance with the relevant building legislation is the core function of this Section. It strives to ensure that the Batho Pele principles are implemented with the intention of having a clear understanding with the public as to why there are such stringent enforcements in legislation within the Umdoni area.

Any building application is approved with cognisance been taken of the following legislation:

- The Constitution of the Republic of South Africa
- The National Building Regulations and Building Standards Act (No. 103 of 1977) as amended
- The Umdoni Town Planning Scheme in the course of preparation
- National Environmental Management Act
- Municipal by-laws and policies.

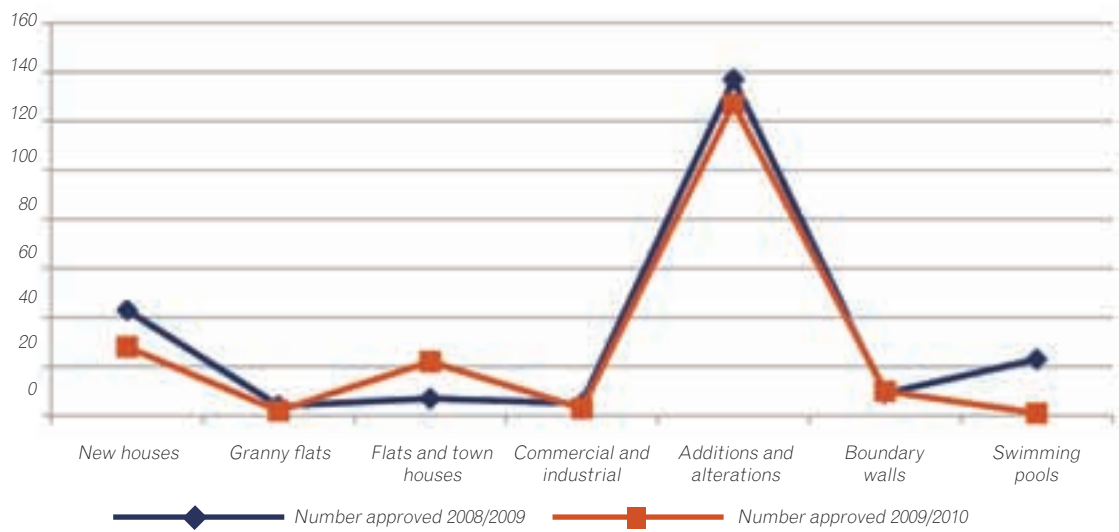
Building applications

- The submission of building applications for the period July 2009-June 2010 has averaged 33 plans per month as compared to the 2008/2009 year where there were approximately 45 plans per month.
- A total of 396 applications were submitted for approval from July 2009 to June 2010 with 193 applications receiving approval, whilst 203 applications were refused in terms of Section 7 of the National Building Regulations and Building Standards Act (No 103 of 1977) as amended.



Description	Number approved 2008/2009	Rand value 2008/2009	Number approved 2009/2010	Rand value 2009/2010
New houses	43	R36 982 000	28	R28 356 500
Granny flats	4	R2 780 000	2	R650 600
Flats and town houses	7	R33 650 000	22	R117 090 000
Commercial and industrial	5	R32 250 000	3	R11 800 000
Additions and alterations	137	R35 569 690	127	R26 525 715
Boundary walls	9	R939 000	10	R1 071 000
Swimming pools	23	R1 567 000	1	R65 000
Total	228	R143 737 690	193	R185 558 815

Trend chart



Building works completed from July 2009 to July 2010

Description	Number completed	Rand value
New houses, flats and town houses	158	R57 464 042
Commercial and industrial	22	R26 700 000
Additions and alterations	29	R4 391 845
Total	209	R88 555 887

Notices issued for contraventions

Building Control has issued a total of 256 notices throughout Umdoni Municipality for:

- Illegal building works
- Deviation from approved building applications
- Illegal usage
- Encroachments.

Encroachments onto Council-owned property

Building Control in terms of Section 214 of the Local Authorities Ordinance 25 of 1974 and Section 10.1 of the National Building Regulations and Building Standards Act (No. 103 of 1977) as amended, processes applications for encroachments from street projections, street overhangs, street furniture, etc.

Building Control has served a total of five notices for encroachments in the Commercial Business Districts. Together with Town Planning, Building Control will be embarking on a project to resolve encroachments along the Main Road in the Umzinto CBD. This may require the re-alignment of the road in question.

Public awareness

The department has designed an information brochure to assist the public with all procedural and important information pertaining to the processes of the Building Control, Town Planning and Environmental Sections with regards to the submission of a plan. This assists with making municipal procedures and information more accessible to the public.

Environmental Section: Parks & Gardens

Verge maintenance	Contractors cut the verges twice a month in the Umzinto, Bazley, Ifafa Glebe, Ifafa beach, Elysium, Shayamoya, Esperanza, Mtwlume, Pennington, Sezela, Scottburgh, Freeland Park and Park Rynie. The Municipal Parks & Gardens Department maintained the verges from Riverside Park to Ghandinagar from February 2010-July 2010 due to the early termination of the contract with the service provider as a result of poor performance
Removal of alien vegetation	Alien vegetation eradication programmes were implemented and staff received training on alien plants
Tree overhang	Trees overhanging onto roads and pavements were trimmed where necessary
Removal of dead/decaying trees	In the southern heavy forested areas of Umdoni, many trees have reached the end of their lifespan. Approximately 120 trees were removed throughout the Umdoni area from verges to prevent damage to property or injury to the public
Tree trimming	Approximately 300 trees were trimmed throughout the area
Tree planting	Over 700 trees were planted throughout the Umdoni areas
Gardens of Council-owned buildings	Six halls and three cemeteries were also maintained twice per month
Cleaning of drains	Drains were cleaned throughout the area
Clearing of Council – owned vacant land and riverbeds	Vacant Council land as well as riverbeds and bush overhang was cleaned throughout the Umdoni area. In the past, the Municipality received many complaints regarding the lack of maintenance of vacant Municipal-owned properties. In 2009/2010, the Municipal Parks & Gardens Section focused on the maintenance of vacant Municipal properties. Forty-two large municipal properties where cut on a regular basis



Town Planning Section

Aims

- to implement and enforce the adopted Umdoni Urban Land Use Management Scheme
- to balance the demands of residential, commercial, industrial development, agriculture, recreation, transport and the environment, in order to allow appropriate development to take place.

Functions and responsibility

- to timeously respond and process planning applications;
- to keep up-to-date with legislation associated with land use;
- to develop creative and original planning solutions to satisfy all parties
- consulting with stakeholders and other interested parties and negotiating with developers and other professionals, such as surveyors and architects;
- to promote integrated and balanced growth with the preparations of the Umdoni Urban Land Use Management Scheme Plan in which land is earmarked for identified purposes such as residential, commercial, public and semi-public, transport and communication, open spaces and agriculture, etc.

Types of application

- Rezoning
- Sub-divisions
- Home businesses
- Bed & Breakfast, home businesses
- Relaxations
- Special consents
- Development applications
- Road closure.

Progress made, achievement and performance highlights

To date, the following Town Planning applications have been approved:

Development applications	Rezoning amendments	Subdivisions and consolidation	Bed & Breakfast and home business	Special consent	Relaxations	Street naming	Road closure
4	13	15	6	10	120	2	2

Other achievements

- Adopted the Town Planning Scheme;
- Adopted Park Rynie street numbering;
- Implementing the PDA as per KZNCOGTA.

Achievements and challenges: Technical Section

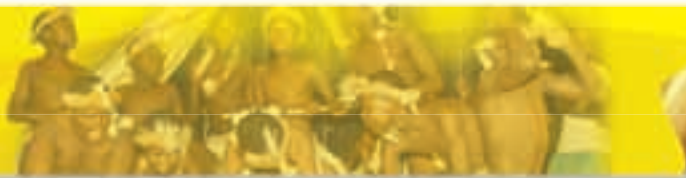
Construction has commenced on the new Technical Services Depot in Renishaw. The second depot will be located in Umzinto and the third depot in Pennington.

Area 1	Area 2	Area 3
Mtwalume, Elysium, Ifafa, Bazley, Sezela, Malangeni and Pennington	Scottburgh South and Central, Freeland Park, Park Rynie, Amandawe and Amahlongwa	Umzinto, Ghandinagar, Esperanza, Shayamoya and the Cele area

Infrastructure maintenance

This department will implement government's Plan of Action which is to construct, improve and upgrade services and infrastructure in the rural sectors without neglecting the infrastructure and services in the urban built environment.

We will strive to deliver efficient, effective and economically sustainable services to communities throughout Umdoni.



Area	Comment/status
Elysium Way	300 x 6 m gravelled
Umdoni Road South	Six metres of storm water pipes were replaced. The road is now open to traffic, however, further work is still required
Cherry Lane	The road was gravelled – 1 00 m ³ of gravel was used and 6 m installed
Adrienne Road, Marion Avenue, Dolphin Drive, and Kelso Road	Damaged roads were repaired
Malangen	Chiliza, Golokodo, KwaGoba, Bongumusa, Mtolo, Myende, Nkombo, Msani, Beniva School Road and Mgobhozi Roads: Roads have been repaired but gravelling is still required. Further repairs to roads in this area are required
Ann-Arbor Road	Repairs completed
Wright Lane	Gravelling in progress
Minerva Avenue	Repairs completed
Amandawe	Ezinkawini, Mphemba and Magcina Roads: Repairs have been completed, but gravelling is still required Gqayinyanga and Ntuthuko Roads: repairs in progress
Amahlongwa	Extensive repairs were done to gravelled roads
Umzinto	Lily Road – Road has been filled and is open to traffic. Further works are required Rajan Road: Road has been filled and is open to traffic. Further works are required Flower Road: Road repairs are complete and the road has been gravelled. Storm water pipes are still required Lotus Road: Repairs completed Camelfoot Road: Repairs are 50% completed Imbilibili Farm: Roads have been graded and gravelled Alex Crescent: Repairs to storm water drainage system 80% complete Informal Settlement Road: Gravelling is 60% completed
Shayamoya	Myeza Lane: Road has been filled. Repairs are in progress
Ghandinagar	Flood damaged roads were patched
Riverside Park	Extensive cleanup and repairs were completed
Alexandra Crescent	Road was badly damaged. Repairs were carried out
Sezela	Construction took five days to complete



Storm water drains

Storm water drainage systems have been constructed in the following areas:

- David Road servitude, Scottburgh
- Servitude from Caroline Lane to Arbuthnot Street – Scottburgh
- Alex Crescent – Umzinto
- Baker Street, Sezela.



Building maintenance

This section is responsible for the renovation and assessment of all Council owned property, offices, council owned houses, town halls, libraries, clinics, Protection services offices, Traffic Department, buildings at the beaches and Arts and Crafts area. Building Maintenance is also responsible for maintaining toilets, sewer lines, locks, painting of buildings and replacement of light bulbs and fittings.

Burst water pipes are repaired in the following areas by the Building Maintenance Section:

- Amandawe
- Amahlongwa
- Malangeni
- Shayamoya
- Umzinto.

Workshop

The Municipal fleet consists of 97 vehicles and the workshop staff attends to breakdowns and minor services for the entire fleet. All major repairs and servicing of vehicles are carried out by agents/ local service providers. All derelict vehicles were auctioned. Repairs are undertaken to aged vehicles. Puncture repairs are carried out as required. Vehicles are prepared for C.O.F.



Projects (including capital and MIG projects)

Umdoni Municipality has yet again been extremely successful at spending its full Municipal Infrastructure Grant allocation.

MIG	2005/2006 first year with grant funding	2006/2007 second year with grant funding	2007/2008 third year with grant funding	20082009 fourth year with grant funding	2009/2010 fifth year with grant funding
Allocation	R5 172 424	R3 007 618	R3 379 711	R6 397 242	R7 821 439
Expenditure	R5 172 424	R3 007 618	R3 379 711	R6 397 242	R7 821 439
Achievement	100%	100%	100%	100%	100%

Total expenditure in 2009/2010

Project name	MIG value	2009/2010
Amandawe Sports Field	R 1 783 000	R 1 737 949
Ghandinagar Sports Field	R 1 900 000	R1 176 903
Humberdale Cemetery Phase 2	R 4 431 314	R2 393 268
Bus shelters	R 600 000	0
Malangeni Sportsfield Phase 2	R 744 900	0
Ugu Umdoni Disaster Centre	R 5 063 380	R5 063 380
Olwasini Sports Field	R 2 900 000	R2 172 536
Umzinto Community Hall	R 2 641 804	R 2 641 804

Capital projects

External grant funding

Malangeni Sports Field

Phase I was almost complete, however, this field suffered huge damages during the June 2008 flooding resulting in a complete review in the control and disposal of storm water by rational design.

After a series of assessments, the engineers proposed the construction of an open storm water channel to cater for the 1:100 year flood.

The rehabilitation of the Malangeni Sports Field commenced on 10 November 2009 after receiving the necessary approvals. Upon the completion of the rehabilitation works, Phase 2 of the Malangeni Sports Field will commence.

Humberdale Cemetery

Phase 2 of the Humberdale Cemetery commenced on 22 January 2009 with a total contract value of R3,4 million, excluding water and electrical reticulation (internal and external). The scope of work in Phase 2 was the bulk earthworks, construction of internal gravel roads, fencing and building of the prayer altar, office block and ablution facilities. The project is 80% complete.



Ghandinagar Sports Field

Phase 1 of the Ghandinagar Sports Field has been completed. The scope of works in Phase 1 was the construction and grassing of the soccer field, open v-drains, concrete public seating, athletes' change rooms with showers and ablutions and public ablution facilities.





Amandawe Sports Field

Construction of the Amandawe Sports Field commenced in June 2009. The resulting delay in the completion of the project is due to the contractor's slow work rate and non-adherence to the Programme of Works. The contractor has been placed on terms and served with Umdoni Municipality's notice of Intention to Terminate should he not submit an acceptable recovery plan. The revised completion date of Amandawe Sports Field is 23 July 2010.

Olwasini Sports Field

Construction of the Olwasini Sports Field commenced in June 2009. Delays were experienced as a result of claims that ancestral graves existed on the site. This was resolved by conducting archeological tests and seeking the intervention of the Traditional Authority. The player change rooms with showers and ablutions, public ablution facilities, combi-court and fencing has been completed. The soccer field was constructed, however, the gradient of the fall was not acceptable and the field is being reconstructed with sub-soil drainage. The anticipated completion of the Olwasini Sports Field is 16 September 2010.

Internal Funding

Construction of the New Umdoni depot in Renishaw

The construction of the new Umdoni depot commenced on 18 January 2010 with the anticipated date of completion being 18 October 2010. The total contract value of this project is R7.2 million. It covers the construction of the mechanical workshop, office block, storerooms and ablution facilities. The mechanical workshop will be equipped with mechanical hoists, test pits for light and heavy duty vehicles and wash bays. The office block has been designed around the 'one-stop-shop' concept and will house the following departments: Roads & Storm water, Building Control, Town Planning, Environmental, Project Management, Refuse and Parks & Gardens.

External facelift and reception upgrade of Umdoni Municipal offices, Scottburgh

This project commenced in January 2009 and was completed in July 2009. The total contract value of the facelift and upgrade was R511 000. It consists of an external façade of columns and beams and the total revamp of the reception area with a boardroom, private enquiry booths and seated viewing area. The external facelift was the construction of columns and beams with external lighting inserted into the concrete beams.

Flood disaster: rehabilitation projects

This report serves to document the work undertaken by Umdoni Municipality for the rehabilitation of storm damage which occurred from 16 to 18 June 2008, resulting in extreme weather which left a trail of destruction in the Umdoni Municipality.

Post-event assessments were conducted by Liquid-platinum, Africon and Bigen Africa Consulting quantifying the cost of rehabilitation infrastructure. The assessments provided the foundation for the release of funding through the Disaster Rehabilitation Implementation Programme (DRIP) and administration through the Municipal Infrastructure Grant (MIG).



Background

In January 2009 it was confirmed that the request for a grant for the rehabilitation of storm damage to the value of R378 000 000 was granted to Umdoni Municipality for the projects rolled out of several phases. A total of 111 projects were identified spread over several municipal areas, namely Pennington, Scottburgh, Park Rynie, Elysium, Sezela, Ifafa, Bazley, Malangeni, Umzinto and the rural areas. Approval of the grant was subject to the funding being utilised solely for flood rehabilitation works with very tight timeframes. Umdoni Municipality's Technical Services was unable to manage the project of this magnitude and in view of the tight timeframes, it was deemed imperative that an adequately skilled service provider be appointed to manage and administer the project.

Umdoni stressed that the processes to be undertaken for the rehabilitation work were complex and that a highly competent team of surveyors, engineers, disaster management specialists, environmentalists, health and safety specialists, project managers and premises to house this team would be required. Umdoni Municipality's Municipal Manager also advised that the procurement and management of this team could be problematic because, if the timeframes were not met, the monies would be re-directed to other municipalities.

Upon enquiry regarding the capacity and track record of the Company used by the Department of Co-operative Governance and Traditional Affairs (CoGTA), the Municipal Manager was advised that Liquid Platinum was highly competent in disaster-related incident projects, had a knowledge of Municipality processes and systems, and appeared to have the entire team of specialists required. They also had the background information, and any aspects of concern could be written into their contract.

All decisions were retained by Umdoni Municipality in full compliance with the Municipal Finance Management Act.

The scope of work encompassed the following:

- project management of the disaster grant in accordance with National Treasury guidelines and processes
- project auditing of the disaster grant in accordance with National Treasury guidelines and processes
- project administration of the disaster grant in accordance with National Treasury guidelines and processes
- interfacing with Umdoni procurement systems
- disaster management compliance on project administration management
- integration and facilitation of rehabilitation in terms of IDP compliance
- reporting and process controls in terms of the Umdoni Municipality SCM systems.

This scope of work was agreed to with Umdoni Municipality through a service level agreement. This report documents the status of the project as per 30 June 2010.





Project summary

The project has been divided into several phases. Phase 1 commenced in June 2009 while Phase 2 commenced in February 2010.

Project summary management status as at 30 June 2010

Category	No. of projects current report
Projects on hold	1
Awaiting design report	1
Tender stage	3
Awaiting bid evaluation recommendations	3
Awaiting bid adjudication award	0
Handover of site to contractor	13
Work in progress	40
Practical completion	20
Completed	30
Total	111

In this section we provide a summary of the following: Project management, financials, engineering, environmental, health and safety, social facilitation and environment. The status of the Phase 1 projects is illustrated in the table at right.

The dashboard colours are defined below:

	Project completed 100% and close out report submitted/no issues outstanding
	Project on schedule/addressing snag list
	Project behind schedule/addressing outstanding issues
	No progress/no contractor appointed/issues not being addressed

Project code	Area	Pre & design reports	Bid evaluation	Bid adjudication	Appointment letter	Consultant	Contractor	Construction progress	Labour	Environmental status	OHS status	Close out report	Overall status
Pennington													
KZ212 Pen	Minerva Road					Liquid Platinum	Akoyiswa Transport	3%					3%
KZ212 Pen 1	Sewage pump station no. 2					Umdoni Internal Project		100%					100%
KZ212 Pen 2	Selborne Siphon 160 Dia sewer line					Umdoni Internal Project		100%					100%
KZ212 Pen 3	Dolphin Drive					GM Turner	Go Plan Homes	95%					95%
KZ212 Pen 4	Adrienne Avenue					Liquid Platinum	Akoyiswa Transport						0%
KZ212 Pen 5	Corner of Whale Rock and Dolphin Drive					Tobeka Khan	All Metal Projects						0%
KZ212 Pen 6	Cherry road					Tobeka Khan	Kwenzokuhle						0%
KZ212 Pen 7	Salmon Drive					Tobeka Khan	Alliance						0%
KZ212 Pen 8	Umdoni South Road downstream					GM Turner	Go Plan Homes	100%					100%
KZ212 Pen 9	Humberdale Landfill Site					Umdoni Internal Project		100%					100%
Scottburgh													
KZ212 Scott 1	Ann Arbour					Umdoni Internal Project		100%					100%
KZ212 Scott 2 CD	Richmond Road					Tobeka Khan	Mageba Projects	99%					99%
KZ212 Scott 4	Airth Street					Tobeka Khan	Union Pant Hire CC	99%					99%
KZ212 Scott 5	David Avenue					Tobeka Khan	Sboniswe Investments						10%
KZ212 Scott 6	Minerva Avenue					Umdoni Internal Project		100%					100%
KZ212 Scott 7	Bhamma Avenue					Tobeka Khan – awaiting Metro-rail approval							0%
KZ212 Scott 8	Williamson Street					Liquid Platinum							0%
KZ212 Scott 9	Barbara Avenue					Liquid Platinum	Akoyiswa Transport						0%
KZ212 Scott 10	Marine Drive					Tobeka Khan	Stedone Civils	96%					99%
KZ212 Scott 12	Davallen Road					Liquid Platinum							0%
KZ212 Scott 13	TC Robertson					Tobeka Khan	Bhekimbeko						0%
KZ212 Scott 14	Adrienne Road					Liquid Platinum	Alliance						0%
Park Rynie													
KZ 212 PR 1	Park Rynie beachfront parking					SBA	Embie Civils	35%					35%
KZ 212 PR 2	Marine Drive South					SBA	Mtitywa Construction	2%					2%
KZ 212 PR 3	Park Rynie Beach erosion protection					SBA		100%					100%
KZ 212 PR 4	Main Road to Park Rynie					SBA	Kuhle Utility Services	55%					55%
KZ 212 PR 5 CD	Park Rynie combined					SBA	Siva Pillay Construction	35%					35%
KZ 212 PR 6	Park Rynie storm water					SBA	Dumag	50%					50%
KZ 212 PR 7	Alkins, across Main Road to Barnet Road					SBA	Town and Around Civils	80%					95%
KZ 212 PR 8	Beach Road					SBA		100%					100%
KZ 212 PR 11 A	Preston Beach to train station					SBA	Emerald Wave Trading	95%					100%
KZ 212 PR 11 B	Rocky Bay					SBA	Mami's Construction	95%					95%
KZ 212 PR 12	Wright Lane					SBA	Mami's Construction	95%					98%
KZ 212 PR 13	Lotus Park					SBA	Emerald Wave Trading	60%					60%



Project code	Area	Pre & design reports	Bid evaluation	Bid adjudication	Appointment letter	Consultant	Contractor	Construction progress	Labour	Environmental status	OHS status	Close out report	Overall status
KZ 212 PR 14	Marine Drive North					SBA	Pule Civil Engineering and Construction	95%					95%
KZ 212 PR 15	Park Rynie industrial area							100%					100%
KZ 212 PR 17	Saville Road												0%
KZ 212 PR 18	Lotus Park					Liquid Platinum	Marlisha Transport						0%
Elysium													
KZ 212 ELY 1	Cowry Drive					Arcus Gibb	Margate Construction	100%					100%
KZ 212 ELY 2	Gravel Road that links from Elysium Way					Umdoni internal project		100%					100%
KZ 212 ELY 3	Main entrance road into Elysium					Umdoni internal project		100%					100%
KZ 212 ELY 4	Olive Road					Mafahleni	Zengele's Supply Services						0%
Sezela													
KZ 212 Sez 1	Baker Street and Jacaranda Street					Ngcolozi	Dumag/Margate Construction	0%					0%
KZ 212 Sez 2	Horseshoe Road					GM Turner	All Metal Projects	100%					100%
KZ 212 Sez 3	Club Road					Ngcolozi	Kwenzokuhle Construction	95%					95%
KZ 212 Sez 4	River Crossing near Spring Road and Blue Club					Ngcolozi	Ascon Civils						0%
Ifafa													
KZ 212 IFA 1	Road to Club Marina					Arcus Gibb	Nhloso Holdings						0%
KZ 212 IFA 2	Gravel Road MR254					SSI							0%
KZ 212 IFA 3	Club Marina					Umdoni Internal Project		100%					100%
Bazley													
KZ 212 Baz 1	Reservoir Road					Liquid Platinum	Marlisha Transport						0%
KZ 212 Baz 2	Colebrander Road					Sektor	Margate Construction						0%
KZ 212 Baz 3	Yellow Bill Kite Lane					Arcus Gibb	Union Plant Hire	100%					100%
KZ 212 Baz 4	Ridge Road					Umdoni internal project		100%					100%
KZ 212 Baz 5	Bazley North area in Marine Drive					Umdoni internal project		100%					100%
KZ 212 Baz 6	Marine Drive (Lot 38)					Umdoni internal project		100%					100%
Ghandinagar													
KZ 212 Gha 1	Ghandinagar					MGM Holdings							0%
Malangeni													
KZ 212 Mal 1 CD	Malangeni Bongumsa Road					SSI	Stedone Civils	100%					100%
KZ 212 Mal 2	Malangeni Ward 8					Umdoni Internal Project		100%					100%
KZ 212 Mal 5	Malangeni					Umdoni Internal Project		100%					100%
KZ 212 Mal 8 CD	Malangeni					Sektor	Pilcon Projects	79%					79%
KZ 212 Mal 10	Malangeni Ezemvelo Rd					Sektor		100%					100%
KZ 212 Mal 14	Malangeni Road to school					Sektor		100%					100%
KZ 212 Mal 16	Malangeni					Ziyanda	Bhekimbeko Business Enterprises	100%					100%
KZ 212 Mal 17	Malangeni					Ziyanda	Rob Business Enterprise	99%					99%
KZ 212 Mal 18	Malangeni					Ziyanda	Bhekimbeko Business Enterprises	99%					99%

Project code	Area	Pre & design reports	Bid evaluation	Bid adjudication	Appointment letter	Consultant	Contractor	Construction progress	Labour	Environmental status	OHS status	Close out report	Overall status
KZ 212 Mal 19	Malangeni					PDNA	Sinohlase & Construction Trading						0%
KZ 212 Mal 20	Malangeni – Drift Stone Road					SADL	Sizabonke Civils cc t/a Pilcon						0%
KZ 212 Mal 21	Malangeni					Ubuntu	Siva Pillay Construction						0%
KZ 212 Mal 22	Malangeni					Ubuntu	High Echelon						0%
KZ 212 Mal 23	Malangeni D13					Umdoni internal project		100%					100%
KZ 212 Mal 24	Malangeni Junior School					SBA	Stedone Civils						0%
KZ 212 Mal 25	Malangeni					Ngcolosi		100%					100%
KZ 212 Mal 26	Malangeni					Mafahleni		100%					100%
KZ 212 Mal 27	Malangeni – Gumede Road					Scientific Roets	Ascon Civils	10%					10%
KZ 212 Mal 28	Malangeni – Ward 8					NME	Pro Trans and Hire						0%
KZ 212 Mal 29	Mbethehi St Andrew Road					Umdoni internal project		100%					100%
KZ 212 Mal 30	Malangeni – Mafithini Road					Scientific Roets	Ascon Civils	0%					0%
KZ 212 Mal 31	Malangeni – Mafithi Road					SADL	Midmar Plant Hire						0%
KZ 212 Mal 32	Malangeni – Zwelisha Road					GMTurner	Impilo Enterprises	84%					84%
KZ 212 Mal 33	Malangeni – Ntuli Road					SSI	BP & M Construction						0%
KZ 212 Mal 34	Malangeni – Gobhozi Road					SSI	Competition Construction						0%
Umzinto													
KZ212 Umz 1	Umzinto Hibiscus Road					Mafahleni	Siva Pillay Construction	95%					95%
KZ212 Umz 2	Shayamoya Humberdale road					Mafahleni	Brainwave Projects						0%
KZ212 Umz 3	Umzinto Lilly Road					NME	FS Gonzalves Construction						0%
KZ212 Umz 4	Umzinto Monkey Road					GMTurner	FS Gonzalves Construction	76%					76%
KZ212 Umz 5	Shayamoya Myeza Lane					Sektor	Amangcobo t/a Phambili						0%
KZ212 Umz 6	Esperanza					UWP	Homes 1000 004 Investment						0%
KZ212 Umz 7	Riverside Park - Entrance to community hall					Mafahleni	Homes 1000 004 Investment	100%					100%
KZ212 Umz 8	Umzinto testing ground					VHB							0%
KZ212 Umz 9	Umzinto Alexandra Crescent					SBA	Town and Around Civils	90%					90%
KZ212 Umz 10	Umzinto - Entrance to Roseville School					Umdoni Internal Project		100%					100%
KZ212 Umz 11	Umzinto Main Road					Mafahleni	Barleda Plant and Civils	58%					58%
KZ212 Umz 12	Riverside park							100%					100%
Rural Roads, including Amandawe, Mahlonge, Olwasini													
KZ 212 RR 1A	Rural roads					SSI	Competition Construction	100%					100%
KZ 212 RR 1B	Rural roads					SSI	Ingqondo Business Enterprises	95%					95%
KZ 212 RR 1C	Rural roads					SSI	Barleda 232 cc	70%					70%
KZ 212 RR 1D	Rural roads					SSI	Homes 1000 004 Investments	5%					5%
KZ 212 RR 1E	Rural roads					SSI	Go Plan Homes	3%					0%
Other													
KZ 212 NP 1	Umzinto CBD refurbishment					LP	Sanyati Construction						
KZ 212 NP 2	Belham House Umzinto					Mafahleni	Thebela Trading Ent						
KZ 212 RR 3	Rural roads					TPA	Aqua Transport						

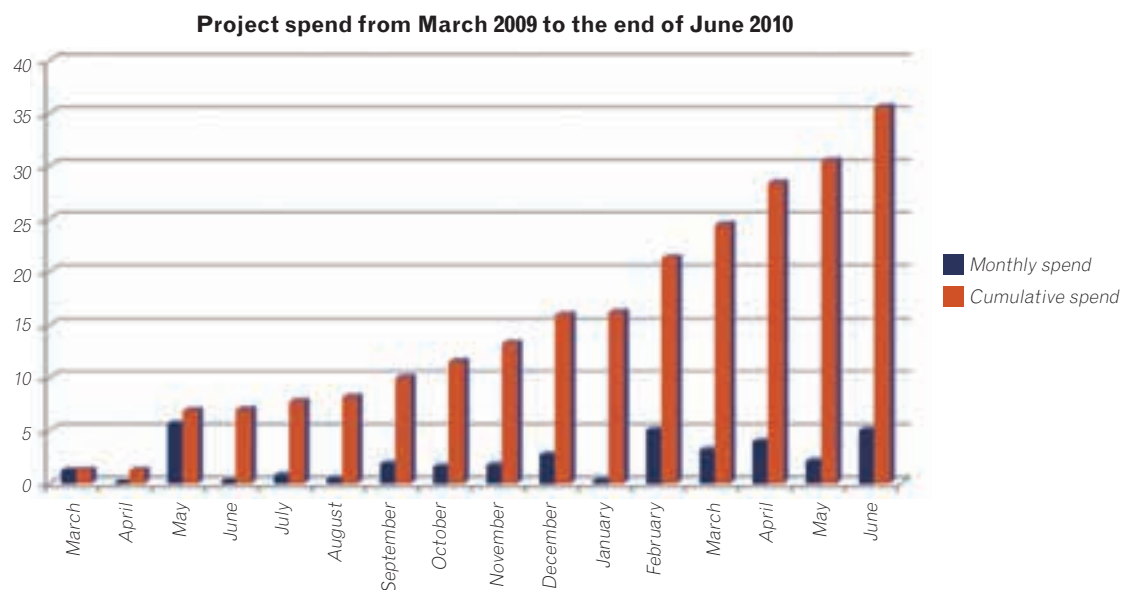
The table gives an overview of the status of the 111 projects. It must be noted that five tenders have been awarded with more than one project combined. An example of this is KZ 212 MAL 8CD which incorporates eight projects: MAL 8, 9, 11, 12, 13 and 15.

Project name	Project code	Total project expenditure 30.06.2010 (incl. retention held)
Minerva Road	KZ212 Pen	-
Sewage pump station No. 2	KZ212 Pen 1	-
Selborne Siphon 160 Dia sewer line	KZ212 Pen 2	-
Dolphin Drive	KZ212 Pen 3	R1 214 429
Adrienne Avenue	KZ212 Pen 4	-
Corner of Whale Rock and Dolphin Drive	KZ212 Pen 5	-
Cherry road	KZ212 Pen 6	-
Salmon Drive	KZ212 Pen 7	-
Umdoni South Road downstream	KZ212 Pen 8	R1 723 956
Humberdale Landfill Site	KZ212 Pen 9	R1 783 548
Ann Arbour	KZ212 Scott 1	R8 550
Richmond Road (Scott 2,3,11)	KZ212 Scott 2	R240 881
Lagoon Drive (now Scott 2CD)	KZ212 Scott 3	-
Airth Street	KZ212 Scott 4	R1 122 839
David Avenue	KZ212 Scott 5	R16 510
Minerva Avenue	KZ212 Scott 6	R8 450
Bhamma Avenue	KZ212 Scott 7	R23 337
Williamson Street	KZ212 Scott 8	-
Barbara Avenue	KZ212 Scott 9	-
Marine Drive	KZ212 Scott 10	R3 571 414
Egerton Road (now Scott 2CD)	KZ212 Scott 11	-
Davallen Road	KZ212 Scott 12	-
TC Robertson	KZ212 Scott 13	-
Adrienne Road	KZ212 Scott 14	-
Park Rynie beachfront parking	KZ 212 PR 1	R514 131
Marine Drive South	KZ 212 PR 2	R334 087
Park Rynie Beach erosion protection	KZ 212 PR 3	-
Main Road to Park Rynie	KZ 212 PR 4	R938 527
Fourth Street (PR 5, 9, 10,16)	KZ 212 PR 5	R3 602 348
Park Rynie storm water	KZ 212 PR 6	R2 835 164
Alkins, Main Road to Barnet Road	KZ 212 PR 7	R2 768 991
Beach Road	KZ 212 PR 8	-
First Street (now PR5 CD)	KZ 212 PR 9	-
Second Street (now PR 5CD)	KZ 212 PR 10	-
Preston Beach – parking area	KZ 212 PR 11A	R1 487 706
Rocky Bay	KZ 212 PR 11B	R1 715 916
Wright Lane	KZ 212 PR 12A	R1 548 151
Lotus Park	KZ 212 PR 13	R603 019
Marine Drive North	KZ 212 PR 14	R1 556 798
Park Rynie industrial area	KZ 212 PR 15	R7 800 000
Third Street (Now PR 5 CD)	KZ 212 PR 16	-
Saville Road	KZ 212 PR 17	-
Lotus Park	KZ 212 PR 18	-
Cowry Drive	KZ 212 ELY 1	R1 193 994
Gravel road that links from Elysium Way	KZ 212 ELY 2	R6 800

Project name	Project code	Total project expenditure 30.06.2010 (incl. retention held)
Main entrance road into Elysium	KZ 212 ELY 3	-
Olive Road	KZ 212 ELY 4	-
Baker Street and Jacaranda Street	KZ 212 Sez 1	R248 389
Horseshoe Road	KZ 212 Sez 2	R256 870
Club Road	KZ 212 Sez 3	R350 229
River Crossing – Spring Rd and Blue Club	KZ 212 Sez 4	-
Road to Club Marina	KZ 212 IFA 1	R156 601
Gravel road MR254	KZ 212 IFA 2	-
Club Marina	KZ 212 IFA 3	-
Reservoir Road	KZ 212 Baz 1	R23 580
Colebrander Road	KZ 212 Baz 12	-
Yellow Bill Kite Lane	KZ 212 Baz 3	R352 972
Ridge Road	KZ 212 Baz 4	-
Bazley North area in Marine Drive	KZ 212 Baz 5	-
Marine Drive (Lot 38)	KZ 212 Baz 6	-
Ghandinagar	KZ 212 Gha 1	R309 248
Malangeni Bongumsa Road (Mal 1, 3, 4, 6, 7)	KZ 212 Mal 1	R3 960 019
Malangeni Ward 8	KZ 212 Mal 2	-
Malangeni (MAL 1CD)	KZ 212 Mal 3	-
Malangeni pipe bridge (MAL 1CD)	KZ 212 Mal 4	-
Malangeni	KZ 212 Mal 5	R57 084
Malangeni (MAL 1CD)	KZ 212 Mal 6	-
Malangeni (MAL 1CD)	KZ 212 Mal 7	-
Malangeni (Mal 8, 9, 11, 12, 13, 15)	KZ 212 Mal 8	R2 284 918
Malangeni (MAL 8CD)	KZ 212 Mal 9	-
Malangeni Ezemvelo Rd	KZ 212 Mal 10	-
Malangeni Ward 8 (MAL8CD)	KZ 212 Mal 11	-
Malangeni (MAL 8CD)	KZ 212 Mal 12	-
Malangeni Ward 9 (MAL8 CD)	KZ 212 Mal 13	-
Malangeni Road to school	KZ 212 Mal 14	R39 139
Malangeni (MAL 8CD)	KZ 212 Mal 15	-
Malangeni	KZ 212 Mal 16	R2 575 773
Malangeni	KZ 212 Mal 17	R3 138 555
Malangeni	KZ 212 Mal 18	R947 339
Malangeni	KZ 212 Mal 19	-
Malangeni Drift Stone Road	KZ 212 Mal 20	-
Malangeni	KZ 212 Mal 21	-
Malangeni	KZ 212 Mal 22	-
Malangeni D13	KZ 212 Mal 23	-
Malangeni Junior School	KZ 212 Mal 24	-
Malangeni	KZ 212 Mal 25	-
Malangeni	KZ 212 Mal 26	-
Malangeni – Gumede Road	KZ 212 Mal 27	R137 959
Malangeni Ward 8	KZ 212 Mal 28	-
Mbetheni St Andrew Road	KZ 212 Mal 29	-
malangeni – Mafithini Road	KZ 212 Mal 30	R87 272
Malangeni – Mafithi Road	KZ 212 Mal 31	-
Malangeni – Zwelisha Road	KZ 212 Mal 32	R2 444 808
Malangeni – Ntuli Road	KZ 212 Mal 33	-
Malangeni – Gobhozi Road	KZ 212 Mal 34	-



Project name	Project code	Total project expenditure 30.06.2010 (incl. retention held)
uMzinto Hibiscus Road	KZ212 Umz 1	R2 361 844
Shayamoya Humberdale Road	KZ212 Umz 2	-
uMzinto Lilly Road	KZ212 Umz 3	-
uMzinto Monkey Road	KZ212 Umz 4	R9 460 419
Shayamoya Myeza Lane	KZ212 Umz 5	-
Esperanza	KZ212 Umz 6	R35 978
Riverside Park – Entrance to Community Hall	KZ212 Umz 7	R8 810 320
Umzinto testing ground	KZ212 Umz 8	R1 872 106
Umzinto Alexandra Crescent	KZ212 Umz 9	R4 223 938
Umzinto – Entrance to Roseville School	KZ212 Umz 10	-
Umzinto Main Road	KZ212 Umz 11	R1 858 987
Riverside Park	KZ212 Umz 12	R505 935
Rural Roads	KZ 212 RR1A	R3 604 511
Umzinto CBD upgrade	KZ 212 NP 1	-
Belim House – Umzinto	KZ 212 NP 2	-
Golden Vale Umzinto	KZ 212 NP 3	-
Rural roads	KZ 212 RR3	-
Rural roads	KZ 212 RR1B	R2 093 365
Rural roads	KZ 212 RR1C	R4 443 402
Rural roads	KZ 212 RR1D	R511 294
Rural roads	KZ 212 RR1E	-
Management fees	KZ 212 LP	R15 336 733
Audit fees		-
Historical claims		R25 829 924
	Total	R134 939 082



The period to the end of June 2010 reflects an expenditure of R134 939 082.

Detailed project status
PENNINGTON

KZ 212 PEN 3: Construction of culvert on Dolphin Drive, Pennington

The project comprises the demolishing of the existing damaged pipe culvert crossing Dolphin Drive and rebuilding a 2.4 m x 2.4 m concrete portal box culvert. The construction start date was 10 November 2009. At the period of reporting in this Annual Report, the project is 95% complete.

Engineer	TPA Consulting cc/GMTurner & Associates JV
Environmental consultant	Kerry Seppings Environmental Management Specialists
Contractor	Goplan Homes cc
Project start date	1 July 2009
Project end date	10 October 2010
Construction start date	10 November 2009
Construction end date	10 April 2010
Revised construction end date	30 June 2010
Scope of work	Demolish existing damaged pipe culvert and rebuild 2.4 m x 2.4 m concrete portal box culvert
Project value	R 3 032 868
Spent to date	R 1 833 406
Variance	R 1 199 462

KZ 212 PEN 8: Umdoni Road South – Construction of culvert

The project comprises the demolishing of the existing damaged pipe culvert crossing Umdoni Road South and rebuilding a 2.4 m x 2.4 m concrete portal box culvert. The construction start date was 10 November 2009. The project has been complete.

Engineer	TPA Consulting cc/GMTurner & Associates Jv
Environmental consultant	Kerry Seppings Environmental Management Specialists
Contractor	Goplan Homes cc
Project start date	1 July 2009
Project end date	10 October 2010
Construction start date	10 November 2009
Construction end date	10 April 2010
Revised construction end date	30 May 2010
Scope of work	Demolish existing damaged pipe culvert and rebuild 2.4m x 2.4 m concrete portal box culvert
Project value	R 2 734 559
Spent to date	R1 904 117
Variance	R 830 442





SCOTTBURGH

KZ 212 Scott 2 CD – Richmond Road: Construction of storm water manholes

This project is complete but the contractor is busy with outstanding issues. Environmental issues at Richmond Avenue are to be finalised. The engineer is busy processing delay claims and the final payment certificate.

KZ 212 Scott 4: Reconstruction of Airth Road

This project is complete and the contractor is busy with outstanding issues. The engineer is processing delay claims and the final payment certificate. A letter was submitted regarding line marking at the intersection with R102, which was done in accordance with the Department of Transport standard. Awaiting comment from the Department of Transport.

KZ 212 Scott 10: Reconstruction of Marine Drive/Bermuda

The project is 96% complete.

Engineer	Tobeka, Khan & Partners
Environmental consultant	Completed internally
Contractor	Stedone Civils (Pty) Ltd
Project start date	1 July 2009
Project end date	31 October 2010
Construction start date	5 March 2010
Construction end date	19 July 2010
Scope of work	Re-surface roads
Project value	R4 026 908
Spent to date	R3 588 364
Variance	R438 544



PARK RYNIE

KZ 212 PR 1: Rehabilitation of Park Rynie beachfront parking

The construction commencement date was 4 January 2010. A brief description of the works to be undertaken on this contract is storm water control, construction of weirs, new culverts and a timber plastic bridge. The project is 35% complete.

Engineer	SBA Engineering Consultants
Environmental consultant	Bohlweki SSI Environmental
Contractor	Embie Civils
Project start date	1 July 2009
Project end date	16 September 2010
Construction start date	4 January 2010
Construction end date	12 March 2010
Scope of work	Storm water control, construction of weirs, new culverts and bridges
Project value (project combined)	R2 229 281
Spent to date	R514 132
Variance	R1 715 149



KZ 212 PR 2: Reconstruction of Marine Drive South – 3rd Ave to Lotus Road

The project is 2% complete.

Engineer	SBA Engineering Consultants
Environmental consultant	Bohlweki SSI Environmental
Contractor	Mtitinywa
Project start date	1 July 2009
Project end date	16 December 2010
Construction start date	16 September 2009
Construction end date	13 January 2010
Scope of work	Road repairs by removing and stockpiling the existing layers and kerbs and replacing with new and an asphalt surface
Project value	R2 651 464
Spent to date	R334 088
Variance	R2 317 377



KZ 212 PR 4: Reconstruction of Park Rynie Main Road

The scope of works on this contract includes road repairs by patch repair and a 30 mm asphalt overlay with kerb repairs where required. The construction commencement date was 2 October 2009 and the completion date is 9 December 2009. The project is 55% complete.

Engineer	SBA Engineering Consultants
Environmental consultant	Bohlweki SSI Environmental
Contractor	Kuhle Construction
Project start date	1 July 2009
Project end date	16 December 2010
Construction start date	16 September 2009
Construction end date	9 December 2009
Revised construction end date	30 June 2010
Scope of work	Road resurface and storm water upgrade
Project value	R2 335 412
Spent to date	R1 067 527
Variance	R1 267 885



KZ 212 PR 5 CD (5, 9, 10, 16): Reconstruction of Roads in Park Rynie

The project is 35% complete.

Engineer	SBA Engineering Consultants
Environmental consultant	Bohlweki SSI Environmental
Contractor	Siva Pillay Construction
Project start date	1 July 2009
Project end date	16 December 2010
Construction start date	16 September 2009
Construction end date	20 February 2010
Scope of work	Road resurface, kerbing and storm water upgrade
Project value (project combined)	R7 774 091
Spent to date	R3 602 349
Variance	R4 171 743





KZ 212 PR 6: Relaying of storm water infrastructure in Park Rynie

The project is 50% complete.

Engineer	SBA Engineering Consultants
Environmental consultant	Bohlweki SSI Environmental
Contractor	Dumag 339 cc Construction (Balela)
Project start date	1 July 2009
Project end date	16 December 2010
Construction start date	9 November 2009
Construction end date	14 June 2010
Scope of work	Storm water upgrade
Project value	R6 746 522
Spent to date	R2 865 351
Variance	R3 881 170



KZ 212 PR 7: Construction of tarred roads in Alkins Drive

The project is 95% complete (Alkins Drive area only).

Engineer	SBA Engineering Consultants
Environmental consultant	Bohlweki SSI Environmental
Contractor	Town and Around Civils
Project start date	1 July 2009
Project end date	31 October 2010
Construction start date	16 September 2009
Construction end date	20 February 2010
Revised Construction end date	31 May 2010
Scope of work	Asphalting of road surface and storm water upgrade
Project value	R8 091 305
Spent to date	R2 824 370
Variance	R5 266 935



KZ 212 11A: Reconstruction of Preston Beach Parking

The project has been completed.

KZ 212 PR11B: Reconstruction of Rocky Bay Parking and access Road

The project is 95% complete (excluding additional work).

Engineer	SBA Engineering Consultants
Environmental consultant	Bohlweki SSI Environmental
Contractor	Mami's Construction
Project start date	1 July 2009
Project end date	31 October 2010
Construction start date	16 September 2009
Construction end date	13 January 2010
Scope of work	Parking lot upgrade and paving
Project value	R2 855 575
Spent to date	R1 928 338
Variance	R927 237



KZ 212 PR 12: Wright Lane – Construction of tarred Road

The project is 98% complete (including additional work).

Engineer	SBA Engineering Consultants
Environmental consultant	Bohlweki SSI Environmental
Contractor	Mami's Construction
Project start date	1 July 2009
Project end date	30 September 2010
Construction start date	3 August 2009
Construction end date	23 October 2009
Scope of work	Asphalting of road surface and storm water management
Project value	R1 981 436
Spent to date	R1 632 151
Variance	R349 285

KZ 212 PR 13: Rehabilitation of Lotus Park

The project is 60% complete.

Engineer	SBA Engineering Consultants
Environmental consultant	Bohlweki SSI Environmental
Contractor	Emerald Wave Trading
Project start date	1 July 2009
Project end date	16 Dec 2010
Construction start date	16 September 2009
Construction end date	13 January 2010
Scope of work	Parking lot upgrade and paving
Project value	R1 283 298
Spent to date	R633 020
Variance	R650 278

KZ 212 PR 14: Reconstruction of Marine Drive North

This project is at practical completion; the site needs environmental rehabilitation.



ELYSIUM

KZ 212 ELY 1: Rehabilitation of Cowry Drive

The project has been completed.

Engineer	Arcus Gibb
Environmental consultant	Kerry Seppings
Contractor	Margate Construction
Project start date	1 July 2009
Project end date	31 August 2010
Construction start date	20 January 2010
Construction end date	20 May 2010
Scope of work	Comprises patching work to the existing road, construction of storm water v-drains, sub-soil drainage and additional drainage structures
Project value	R1 223 613
Spent to date	R1 193 994
Variance	R29 619



SEZELA

KZ 212 SEZ 1: Construction of tarred roads – Baker Street and Jacaranda Street

Contractual obligations have been met by the contractor, however, a detailed work programme must be submitted by him for approval by the engineer and client.

Engineer	Ngcolosi Consulting Engineers
Environmental consultant	Bohlweki SSI Environmental
Contractor	Dumag 339 cc
Project start date	1 July 2009
Project end date	30 November 2010
Construction start date	9 July 2010
Construction end date	29 October 2010
Scope of work	Asphalting road surface and storm water upgrade
Project value	R3 209 843
Spent to date	R248 390
Variance	R2 961 453



KZ 212 SEZ 2: Rehabilitation of storm water facilities – Horseshoe Road

This project is complete but the contractor is busy with outstanding issues. The engineer is busy processing delay claims and the final payment certificate.

Engineer	TPA Consulting cc/GM Turner & Associates JV
Environmental consultant	Bohlweki SSI Environmental
Contractor	All Metal Projects
Project start date	1 July 2009
Project end date	30 October 2010
Construction start date	27 February 2010
Construction end date	8 June 2010
Scope of work	Asphalting road surface and storm water upgrade
Project value	R299 345
Spent to date	R256 871
Variance	R42 474



KZ 212 SEZ 3: Club Road – Construction of tarred road

The project is 95% complete.

Engineer	Ngcolosi Consulting Engineers
Environmental consultant	Completed internally
Contractor	Kwenzokuhle Construction
Project start date	1 July 2009
Project end date	30 September 2010
Construction start date	22 February 2010
Construction end date	17 May 2010 (revised – 25 June 2010)
Scope of work	Upgrade of Club Road, including preventative measures in order to mitigate damages due to future similar flooding
Project value	R790 063
Spent to date	R350 230
Variance	R439 833

BAZLEY

KZ 212 Baz 3: Yellow Bill Kite Lane: Construction of tarred road

These projects have been completed.

MALANGENI

KZ 212 MAL 1A, 1B, 3, 4, 6, 7 (MAL 1CD): Construction of concrete portal culverts and pipe crossings in Malangeni

These projects are at practical completion stage and environmental rehabilitation is required.

KZ 212 MAL 8, 9, 11, 12, 13 & 15 (MAL 8 CD): Construction of gabion wall bank protection and culverts in Malangeni

The project is 79% complete.

Engineer	Sektor Consulting Engineers
Environmental consultant	Kerry Seppings Environmental Management Specialists
Contractor	Pilcon Projects
Project start date	1 July 2009
Project end date	16 December 2010
Construction start date	11 December 2009
Construction end date	18 May 2010
Scope of work	Rehabilitation work to gravel roads, gabions and storm water upgrade
Project value	R5 335 289
Spent to date	R3 310 382
Variance	R2 024 907



KZ 212 MAL 16: Road rehabilitation and construction of portal culvert in Malangeni

The project comprises the gravelling of portions of the road surface and storm water upgrade. The project has been completed.

Engineer	Ziyanda Consulting cc
Environmental consultant	Bohlweki SSI Environmental
Contractor	Bhekimbeko Business Enterprise cc
Project start date	1 July 2009
Project end date	30 September 2010
Construction start date	6 November 2009
Construction end date	23 March 2010 (revised 26 May 2010)
Scope of work	Gravel to road surface and storm water upgrade
Project value	R3 570 807
Spent to date	R2 943 911
Variance	R626 895



KZ 212 MAL 17: Gabion Wall River Bank Protection and construction of pipe crossing in Malangeni

Engineer	Ziyanda Consulting cc
Environmental consultant	Bohlweki SSI Environmental
Contractor	Rob Business Enterprise
Project start date	1 July 2009
Project end date	16 December 2010
Construction start date	10 March 2010
Construction end date	26 July 2010
Scope of work	Gravel to road surface and storm water upgrade
Project value	R3 593 062
Spent to date	R3 233 628
Variance	R359 434



KZ 212 MAL 18 : Road Rehabilitation and construction of portal culverts in Malangeni

The project is 99% complete, but the following activities have been completed:

- construction of portal culverts including headwalls at chainage 2+730 km is ongoing;
- tying loose gabion baskets and fixing of bidum material and rear end of gabions;
- erection of chevrons at sides of drop inlets and culverts points approaches.

The following activities are being planned:

- outstanding environmental and OHS issues;
- outstanding technical issues;
- conclusion of construction of portal culverts;
- minor road-works at culvert points approaches;
- general site cleaning;
- site handover to Umdoni Municipality.

The project is 99% complete.

Activities completed:

- concrete casting for v-drains;
- filling and shaping of road material on side of v-drains;
- backfilling of material behind all gabions;
- tying of loose gabion basket covers.

Activities planned:

- fixing of all technical, environmental and OHS issues as will be determined during the site inspection meeting;
- general site cleaning;
- site handover.

Engineer	Ziyanda Consulting cc
Environmental consultant	Bohlweki SSI Environmental
Contractor	Bhekimbeko Business Enterprise cc
Project start date	1 July 2009
Project end date	30 September 2010
Construction start date	11 January 2010
Construction end date	5 July 2010 (revised 30 July 2010)
Scope of work	Gravel to road surface and storm water upgrade
Project value	R2 285 859
Spent to date	R1 410 020
Variance	R875 839





KZ 212 MAL 27: Gravel road rehabilitation and construction of concrete roads in Malangeni

The project is 10% complete. The project was delayed due to completion of EMP.

Engineer	Scientific Roets
Environmental consultant	Completed internally
Contractor	Ascon Civils
Project start date	1 May 2010
Project end date	30 November 2010
Construction start date	29 June 2010
Construction end date	11 October 2010
Scope of work	Rehabilitation of roads and storm water
Spent to date	R137 959
Variance	R3 035 564

KZ 212 MAL 30: Gravel road rehabilitation and construction of concrete roads in Malangeni

The project is 0% complete. Start was delayed due to completion of EMP.

Activities planned: Site clearance, in-situ compaction of roadbed, and earthworks.

Engineer	Scientific Roets
Environmental consultant	AFE
Contractor	Ascon Civils
Project start date	16 August 2010
Project end date	23 November 2010
Commencement start date	29 June 2010
Commencement end date	29 September 2010
Scope of works	Upgrade of Mafatini & Khomo Roads
Project value	R2 293 181
Spent to date	R87 273
Variance	R2 205 908

KZ 212 MAL 32: Rehabilitation of Malangeni sportsfield and construction of trapezoidal storm water channel

The project comprises the storm water drainage and repairs to Malangeni Sportsfield. The construction start date was 10 November 2009. The project is 84% complete.

Engineer	TPA Consulting cc/GM Turner & Associates JV
Environmental consultant	Bohlweki SSI Environmental
Contractor	Impilo Enterprises
Project start date	1 July 2009
Project end date	16 December 2010
Construction start date	10 November 2009
Construction end date	10 May 2010
Scope of work	Storm water drainage and repairs to Malangeni Sportsfield
Project value	R5 890 537
Spent to date	R3 627 307
Variance	R2 263 230



KZ 212 MAL 33: Gravel road rehabilitation and construction of concrete roads in Malangeni

The site was handed to the contractor. Sureties and insurances are to be submitted. The contractor has not yet set up camp.

Engineer	SSI
Environmental consultant	Bohlweki SSI Environmental
Contractor	B P & M Construction
Project start date	11 June 2010
Project end date	16 December 2010
Construction start date	5 July 2010
Construction end date	11 October 2010
Scope of work	Repairs to Shinga Road – gravel surface
Project value	R1 782 171
Spent to date	
Variance	R1 782 171

KZ 212 MAL 34 : Gravel road rehabilitation and construction of concrete roads in Malangeni
The site was handed to the contractor. Programme is awaited.

Engineer	SSI
Environmental consultant	
Contractor	Competition Construction
Project start date	1 July 2009
Project end date	7 March 2011
Construction start date	13 July 2010
Construction end date	16 December 2010
Scope of work	Upgrade of 6.7 kms of gravel road, including packed calverts, side drains, horizontal and vertical alignments and re-gravelling
Project value	R5 493 593
Spent to date	
Variance	R5 493 593



UMZINTO
KZ 212 UMZ 1: Reconstruction of Hibiscus Road, Umzinto
The project is 95% complete.



Engineer	Mafheleni Engineers and Project Managers
Environmental Consultant	Bohlweki SSI Environmental
Contractor	Siva Pillay Construction
Project Start Date	1 July 2009
Project End Date	30 November 2010
Construction Start Date	24 November 2009
Construction End Date	16 April 2010
Scope of work	Asphalting road surface and storm water upgrade
Project Value	R 3 371 919
Spent to Date	R 3 276 468
Variance	R 95 450

KZ 212 UMZ 4: Reconstruction of Monkey Road and Riverbank Protection

The overall progress on the project is 74% complete. Activities planned are as follows:

- B – Roadworks and Embankment Protection
- Storm water control
- Kerbs
- Channels.

Engineer	TPA Consulting cc/GM Turner & Associates JV
Environmental Consultant	Kerry Seppings Environmental Management Specialists
Contractor	FS Gonzalves Construction
Project Start Date	1 July 2009
Project End Date	16 December 2010
Construction Start Date	10 November 2009
Construction End Date	10 June 2010
Scope of work	Construction of a new ablution block and the rehabilitation of Monkey Road in Umzinto
Project Value	R 14 337 088
Spent to Date	R 9 460 420
Variance	R 4 876 668



KZ 212 UMZ 6: Construction of dual bridge and rehabilitation of existing tarred roads – Esperanza

The project is 0% complete. The contract has been awarded and the geotechnical survey is complete. The delay caused by the EIA has resulted in the site being handed over just prior to the beginning of the wet season which may result in an extension of time claim due to abnormal inclement weather.

Activities planned:

- hand over site to the contractor;
- contractor's site establishment.

Engineer	UWP Consulting
Environmental consultant	Bohlweki
Contractor	Homes 1000 t/a Building Generations
Project start date	1 July 2009
Project end date	12 January 2011
Construction start date	12 July 2010
Construction end date	16 December 2010
Scope of work	Construction of gabion basket, installation of guardrails, demolishing of existing bridge, reconstruction of access collector, construction of concrete-lined storm water drain, replacement of storm water
Project value	R5 335 200
Spent to date	R35 978
Variance	R5 299 222

KZ 212 UMZ 7: Rehabilitation of Lilly Road in Umzinto

The final completion certificate has been awarded.

KZ 212 UMZ 9: Reconstruction of storm water infrastructure and tarring of Alexandra Crescent, Umzinto

The project is 90% complete.

Activities completed:

- prime to roadway and most of the asphalt laid;
- mid-block storm water line complete. Repairs to damaged garden walls begun.

Activities planned:

- complete the laying of asphalt;
- finish off manholes on the mid-block storm water line;
- repair damaged walls and infrastructure.



Engineer	SBA Engineering Consultants
Environmental consultant	Bohlweki SSI Environmental
Contractor	Town and Around Civils
Project start date	1 July 2009
Project end date	30 November 2010
Construction start date	3 August 2009
Construction end date	29 January 2010
Scope of work	Asphalting road surface and storm water upgrade
Project value	R6 538 035
Spent to date	R4 311 938
Variance	R2 226 096

KZ 212 UMZ 11: Construction of storm water infrastructure – Umzinto Main Road

The project is 58% complete.

Activities completed:

- proving of existing services;
- securing of Eskom cables;
- removal of spoilt material to the spoil site to make more working space.

Activities planned:

- laying of manhole bases;
- construction of manhole;
- laying of three 2 m diameter storm water;
- re-instatement of sewer and water mains;
- layer works for the parking area.



Engineer	Mafheleni Engineers and Project Managers
Environmental consultant	Bohlweki SSI Environmental
Contractor	Barleda 232 cc t/a Barleda Plant and Civils
Project start date	1 July 2009
Project end date	16 December 2010
Construction start date	16 November 2009
Construction end date	2 July 2010
Scope of work	Reconstruction of parking area and underground culvert
Project value	R7 917 125
Spent to date	R3 495 454
Variance	R4 421 671

RURAL ROADS
KZ 212 RR 1A (1A/1, 1A/2, 1A/6, 1A/7, 1A/8, 1A/10, 1A/12, 1A/22, 1A/23): Rehabilitation of gravel roads in Amahlongwa

The project comprises rehabilitation work to rural roads and their associated drainage structures. There are a total of nine roads being rehabilitated including storm water provision and replacement of damaged drainage structures.

The construction start date was 10 November 2009. The project has been completed.

Engineer	SSI
Environmental consultant	Kerry Seppings Environmental Management Specialists
Contractor	Competition Construction cc
Project start date	1 July 2009
Project end date	30 September 2010
Construction start date	10 November 2009
Construction end date	22 April 2010 (revised 6 June 2010)
Scope of work	Rehabilitate rural roads and their associated drainage structures
Project value	R4 661 674
Spent to date	R3 632 511
Variance	R1 029 163



KZ 212 RR 1B (1B/16(a), 1A/25(a), 1A/25(b), 1A/25(c): Construction of four portal culverts in Amandawe

The project is 95% complete.

LLRC 25(A), LLRC 25(B) and LLRC 25(C) have been completed except for gabions and approach works. Gabions and approach works still need to be completed.

Engineer	SSI
Environmental consultant	Kerry Seppings Environmental Management Specialists
Contractor	Ingqondo Business Enterprise cc t/a Ingqondo Construction
Project start date	1 July 2009
Project end date	30 September 2010
Construction start date	10 November 2009
Construction end date	23 March 2010 (revised – 4 June 2010)
Scope of work	Demolishing of existing damaged concrete pipe culverts and rebuilding concrete box portal culverts
Project value	R3 718 074
Spent to date	R2 821 265
Variance	R896 809



KZ 212 RR 1C (1C/13, 1C/14, 1C/15, 1C/16, 1C/17, 1C/18, 1C/19, 1C/20, 1C/25, 1C/28): Rehabilitation of gravel roads in Amandawe/Amahlongwa and KwaCele

The project comprises rehabilitation work to rural roads and their associated drainage structures. There are a total of 10 roads being rehabilitated including storm water provision and replacement of damaged drainage structures.

The construction start date was 10 November 2009. The project is 70% complete.

Activities planned:

- earthworks, storm water pipes and blinding on concrete Road RR1/15A;
- the relocation of a water main running along Road RR1/15A;
- approaches to culvert on Road RR1/25.

Engineer	SSI
Environmental consultant	Kerry Seppings Environmental Management Specialists
Contractor	Barleda 232 cc t/a Barleda Plant & Civils
Project start date	1 July 2009
Project end date	16 December 2010
Construction start date	10 November 2009
Construction end date	23 March 2010 (revised – 0 April 2010)
Scope of work	Rehabilitate rural roads and their associated drainage structures
Project value	R11 410 911
Spent to date	R4 689 011
Variance	R6 721 900





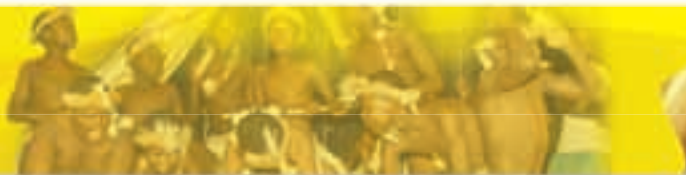
KZ 212 RR 1D (RR1D/1, RR1D/6, RR1D/22): Construction of portal culverts in Amahlongwa
 The project is 5% complete.

Activities completed in the last two weeks: Establishment of site camp.

Engineer	SSI
Environmental consultant	Kerry Seppings Environmental Management Specialists
Contractor	YMS Ancillary Roadworks cc
Project start date	1 July 2009
Project end date	16 December 2010
Construction start date	10 November 2009
Construction end date	1 March 2010
Scope of work	Demolishing of existing damaged concrete pipe culverts and rebuilding concrete box portal culverts
Project value	R2 909 266
Spent to date	R551 331
Variance	R2 357 935



UPGRADE OF THE UMZINTO CENTRAL BUSINESS DISTRICT
 As at 30 June 2010, the upgrade of the Umzinto CBD was in its conceptual and planning phases.



Environmental Section

The Umdoni Municipality covers an area of approximately 270 km² and forms part of the Maputaland-Pondoland-Albany region, which is an internationally recognised area of conservation significance and a biodiversity hotspot. The Umdoni Municipality also forms part of the second richest floristic region in southern Africa and contains arguably one of the best coastal grasslands in South Africa, some of which have more Red Data or protected species per hectare than any other such biome in the country.

The Umdoni region has been extensively transformed over the past 100 years as a result of human settlement and agricultural activities. The Umdoni Municipality can be divided into three major land use zones: Commercial agriculture dominated by sugar cane, the traditional authority areas located in the north of the municipal area, and the coastal urban nodes forming part of the ribbon development along the KwaZulu-Natal South Coast.

Human-related impacts and poor agricultural and industrial practices have placed the environment under an enormous threat, which has resulted in many local species becoming extinct. Just a decade ago, the Umdoni Municipality was characterised as having relatively low levels of development, however, the recent rapid growth in the real estate market has resulted in a huge increase in development along the environmentally sensitive coastal strip, which places severe pressure on the fragile coastal and marine environment. The areas' relatively unspoilt natural features are constantly under threat from development and practices that are not in accordance with good environmental management principles. Regretfully, environmental crimes are common and acts such as deforestation, dumping and the pollution of rivers is a common occurrence and monitoring such offences is a great challenge. The Environmental Section has been engaging with schools, businesses, the youth, taxi associations and ratepayer associations in an attempt to educate the public about bad environmental practices such as dumping and the negative impacts associated with such practices.

The primary role of the Environmental Section is to ensure that all development, land development applications and associated activities are in accordance with environmental legislation and environmental management best practice principles, and should there be a breach in the law, appropriate enforcement and remedial measures will be taken. The Environmental Section continues to strive for the protection of the environment for the present and future generations and to assist in upholding the people's Constitutional right to an environment that is not harmful to their health or well-being.



The Environmental Section showed continuous progress during the 2009/2010 financial year with increased emphasis being placed on combatting environmental crimes, particularly pollution-related contraventions and illegal tree felling. The section was intensively involved with the management of the Tidal Surge Project and municipal waste management, including the management of the landfill site. The efforts of the Environmental Management Section were instrumental in the Municipality achieving a top 10 position and a cash prize of R 15 000 in the 2009/2010 Greenest Municipality Competition.

The following activities were undertaken during the 2009/2010 financial year:

- 158 building applications were reviewed and specific environmental requirements were required for 86 applications.
- The Section provided comment and represented the Municipality at two tribunal hearings undertaken in accordance with the Development Facilitation Act.
- 15 subdivision applications were reviewed and commented on.
- 13 rezoning applications were reviewed and commented on.
- 19 Basic Assessment/EIA applications were reviewed and commented on.
- The Section compiled the appeal against the Record of Decision for the proposed N2 highway toll.
- 10 special consent applications and two road closure applications were reviewed and commented on.
- 354 notices were issued to owners of properties with overgrown vegetation. All properties were subsequently cleared, however, 77 properties were cleared by the Municipality following the owners' non-adherence to the directive.
- 424 notices were issued for non-compliance with environmental and waste management regulations and bylaws.
- The removal of approximately 8 000 alien plants and trees was facilitated.
- The Section successfully enforced the rehabilitation of 11 sites that were illegally cleared of indigenous vegetation.
- The Section enforced the rehabilitation of 11 sites following pollution-related contraventions.
- The Section, in association with the Parks & Gardens Section, successfully planted 800 indigenous plants and trees at schools and public spaces.
- Environmental education material on waste management, trees and climate change were distributed to 11 schools and three libraries.
- 10 hectares of the TC Robertson Nature Reserve were rehabilitated.
- The rezoning of Nkomba Bird Sanctuary from Public Open Space to Conservation was facilitated.
- The section re-established the Umdoni Working Group to improve stakeholder engagement on environmental issues.
- Extensive involvement in the project management of the Tidal Surge Project, which has proven to be a great success with the revamped coastal areas being the subject of praise from residents and tourists alike.
- The Section was intensively involved in June 2008 Flood Disaster Project.

The Environmental Section of the Umdoni Municipality is currently operating without an important environmental tool, namely a Strategic Environmental Assessment. This is used to guide all planning and development processes, not only for conservation reasons but also for the acknowledgement of the vital role the environment plays in providing free goods and services to the people. The Municipality is being transformed and developed without a greater plan that earmarks the areas suitable for development and conservation of natural assets. It is thus imperative that as a matter of priority, such an assessment be undertaken before the remaining natural assets of the Umdoni region are lost forever.

Following several applications for funding for the development of a Strategic Environmental Assessment, the Umdoni Municipality received R725 000 in funding from the Ugu District Municipality for the project. Thereafter, the Environmental Section compiled comprehensive terms of reference for the project, which was deemed to be excellent by many professionals. The project is geared towards identifying areas of conservation significance, and areas suitable for various land use activities including agricultural, industrial, commercial, residential and tourism-based activities. A crucial part of the project involves the creation of



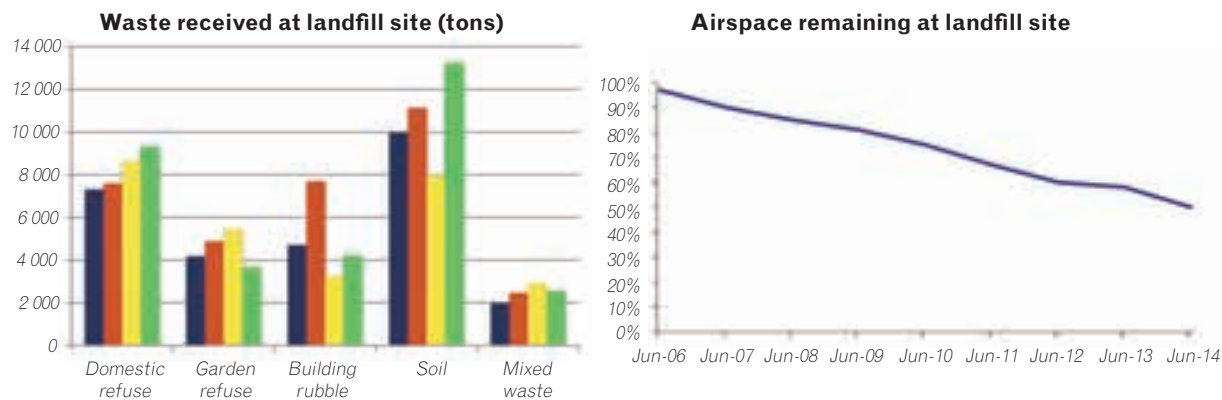
a beneficial GIS tool used for strategic planning and the management of the natural resources. The SEA will form the baseline on which future versions of land use management schemes and spatial development frameworks are developed.

Tenders for the project were received during the 2009/2010 financial year and it is anticipated that a suitable service provider will be appointed and 70% of the project will be completed during the 2010/2011 financial year.

Landfill site

The following depicts the increase in the proportion of soil and building rubble delivered to the landfill site during 2009/2010 financial year, which is attributed to the flood disaster and Humberdale cemetery project.

Type of soil and rubble (Tons)	2006/2007	2007/2008	2008/2009	2009/2010
Domestic refuse	7 307	7 590	8 652	9 322
Garden refuse	4 175	4 865	5 468	3 671
Building rubble	4 699	7 694	3 277	4 213
Soil	9 975	11124	7 983	13 240
Mixed waste	1 974	2 453	2 931	2 550





Refuse collection

Refuse collection takes place according to a strict schedule and skips have been placed in various areas of the municipal area to assist in this regard.

Proposed N2 Wild Coast Toll Highway

The South African National Roads Agency Limited (SANRAL) have proposed the construction of the 560 km N2 Wild Coast Toll highway from Isipingo in Durban to the Gonubi Interchange in East London. The project entailed the construction of seven mainline toll plazas and several ramp plazas along the proposed route. In January 2005, SANRAL lodged an application for environmental authorisation for the proposed N2 Wildcoast Toll Highway to the former Department of Environmental Affairs and Tourism.

The Umdoni Municipality registered as an interested and affected party during the Environmental Impact Assessment (EIA) process. The Umdoni Municipality provided comment on the application and adopted the stance of opposing the construction of mainline and ramp toll plazas within the eThekweni Municipality and Umdoni Municipality. To the regret of the Umdoni Municipality, the Department of Water and Environmental Affairs approved the project on 19 April 2010.

In light of the serious adverse economic impacts of tolling and the failure to address and provide for adequate mitigation strategies or alternatives during the Environmental Impact Assessment process, the Umdoni Municipality took the decision to appeal against the environmental authorisation for the proposed N2 Wild Coast Toll.

The Umdoni Municipality undertook the appeal based on the following: A significant portion of the economically active population who reside within the Umdoni Municipality are employed within the city of Durban and such individuals commute daily to Durban and back. The introduction of toll fees will significantly increase travelling costs and this will certainly result in the escalation of the cost of public transport. The increased cost translates to reduced disposable income and lower consumer spending, which will adversely affect the economy and livelihoods of the people of the Umdoni Municipality and the South Coast.

The toll fees will result in a net outflow of cash from the local economy, adversely affecting local businesses and consumers who will then change their spending patterns to budget for toll fees. The proposed toll will essentially increase the cost of living and working on the South Coast. The implementation of the toll road will make the areas south of Durban less attractive as an investment location for businesses with high transport inputs costs. It will likely result in a loss of market share in the South Coast due to higher input costs. Relocation may become necessary for some firms in order to remain competitive and price increases would be passed on to consumers who would be the ultimate losers, while businesses on the South Coast will likely lose market share.

The Umdoni Municipality has embarked on a project to expand and upgrade the Park Rynie industrial area and associated services in an attempt to attract businesses and industrial development, thereby creating new employment opportunities and reducing poverty. The increased travelling cost emanating from the proposed tolls fees may deter potential investors from investing in the area and will negatively impact on the viability of the project. Businesses with high transport costs operating in a competitive market with small profit margins such as logistics firms, importers and exporters, will be severely affected by the toll fees. Any changes in transport costs impacts on the income available to be spent on other production inputs, which impacts on broader economic activity of the area through the economic multiplier. There is thus likely to be a significant increase in the direct and indirect transport costs for businesses using the R102 and N2 south of Isipingo.

The Umdoni area is a popular tourist destination for day visitors from Durban and surrounding areas as well as for seasonal visitors from outside of KwaZulu-Natal. The economy of the area is extremely dependent on tourism. The introduction of the toll plazas will deter potential tourists from visiting the area and this will result in a decline in visitors, which may put a number of tourist-centred establishments out of business. The introduction of the toll road will make the areas south of Illovo less attractive as a tourism destination and hence there will be less investment in tourism in the area. The proposed toll road will also increase the relative cost of tourist products offered in the southern eThekweni and Ugu regions.

The largest economic activity within the Umdoni Municipal area is agriculture, in particular the sugar industry. The focal point of the industry in Umdoni is the Sezela Mill, which is where all the cane grown within the Umdoni Municipality and hinterland areas is processed. Currently, almost all trucks carrying cane to the mill use the N2 Highway. The introduction of toll fees will increase operational costs, and these costs will be passed onto the consumer. The introduction of toll fees will put severe pressure on small growers and Black emerging farmers who work on a very small profit margin. The introduction of the toll road may put small and emerging farmers out of business, thereby further compounding the problem of unemployment and food insecurity.

The proposed N2 Wildcoast Toll Highway is likely to have a detrimental impact on the economy and the welfare of the people of the Umdoni Municipality. The studies undertaken as part of the EIA process have not adequately addressed the impact on tourism, infrastructure that is not controlled by SANRAL, the traffic on alternative routes, the socio-economic impacts associated with the increased travelling and operational costs, as well as the cumulative economic and social impacts.

The EIA did not assess the impact of the proposed N2 toll in association with the relocation of the International Airport to the KZN North Coast. As a result of the relocation of the Airport to the North Coast several business and industries have or are in the process of relocating to the North Coast severely impacting on the economy of the area. The implementation of the toll road will further reduce the competitiveness of the South Coast as an investment location for logistics firms, importers and exporters, and other firms with high transport costs.

The development of a toll road will result in motorists using alternative roads such as municipal and provincial roads in order to reduce travelling costs. The diversion of traffic onto alternative roads will increase congestion and lead to faster deterioration of road surfaces. This will increase the road maintenance and vehicle operating costs on these roads.



View of the N2 from Sezela bridge.

The traffic diversion onto alternative routes will add to air, noise and sound pollution, the impacts of which have not been adequately addressed in the EIA process, particularly in the Umdoni Municipal region where traffic volumes on alternative roads will drastically increase if the toll road is developed. In the Umdoni Municipality the only alternative road to the N2 with a north-south course is the R102. Currently, the R102 is highly stressed from a traffic and infrastructure perspective. The road deteriorated tremendously over the last two decades and is currently in a poor state and is not considered to be a viable alternative route to the N2.

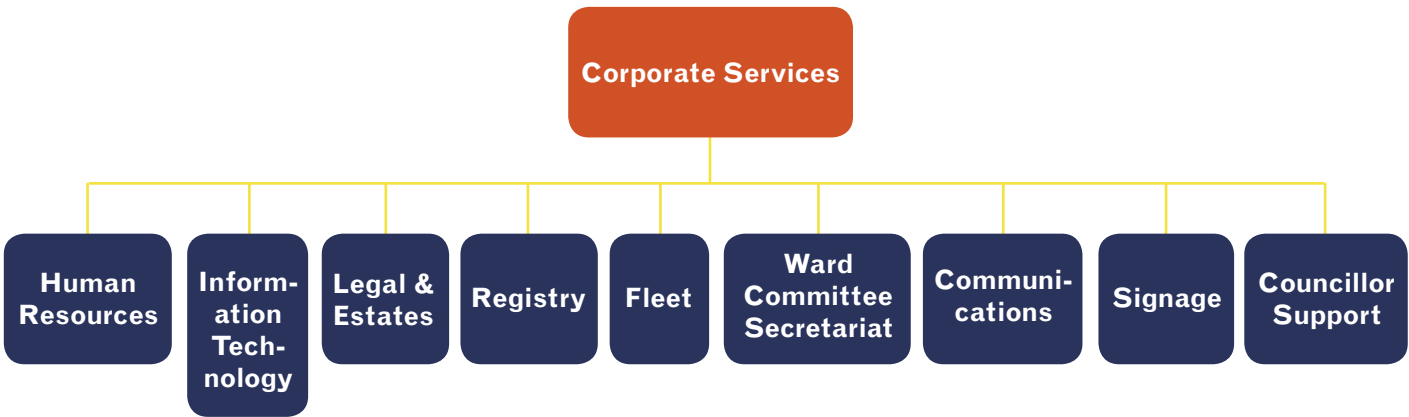
Traffic counts on the R102 have increased tremendously over the last decade and traffic congestion poses a major problem and risk to motorists. The Environmental Impact Report stated that the toll road will result in a 62% increase in traffic volumes on the Park Rynie-Pennington section and would have a negative impact on the level of service and quality of travel on the alternative route. The EIA process has failed to address or provide for mitigation for such negative impacts.

SANRAL has also failed to address the impact of the toll on municipal and provincial infrastructure. Matters pertaining to the compensations for road upgrades and maintenance of alternative routes, reduction in quality of life and land value, operating costs and economic loss have not been provided for in the EIA process.

Currently, all municipal vehicles use the N2 when travelling between the coastal towns in Umdoni, as it is a shorter route than the R102. Should toll plazas be introduced on the N2 in the Umdoni Municipality, the Municipality will have to pay toll fees or travel longer distances on alternative roads. This translates into a higher operational cost for the Municipality, which is ultimately passed on to the ratepayers, which in turn leads to lower disposable incomes. The Umdoni Municipality strongly advises that all existing interchanges within the Umdoni Municipal remain open and not tolled as there are no other viable routes between the southern coastal towns of Umdoni Municipality. For example, the travelling distance on the R102 between the towns of Mtwalume and Park Rynie is more than double the distance between the same towns when travelling on the N2.



Corporate Services Department



Signage Section

Aims and objectives

The third year of the initial three-year implementation period has continued the work of communicating to the general role players the fact that we have now administratively aligned ourselves to control signage, and the framework to effect this task is promoted frequently.

Various tasks were undertaken in the following areas of operation, including the gazetting of the Umdoni Signs By-laws in 2007 to enable us to institute legal notices followed, if necessary, by fines and penalties.

This process has been impeded as authorisation still has to be received from the Chief Magistrate to formally evaluate each individual property within the entire area, followed by contact with the owner to ensure that any advertising signage complies with the Umdoni Signs By-laws.

Once this formal revision takes place, all the existing signage anomalies will be addressed and rectified.

Administration policies

At the outset, the need was established to implement policies that apply to specific types of signage not necessarily addressed within the Umdoni Signs By-laws. Policies governing placement of banners and specifications for directional signage, as well as the placement of illuminated street name indicators, mobile signs, street furniture (pole-mounted bins, pavement litter bins and advertising seating benches), and permanent poster placeholders have been established.

In addition, a specific policy was put in place during 2009 to allow the Signage Control Department the ability to identify sites for the placement of Council-owned illuminated street name indicators for the purpose of generating rental income from advertisers.

To date, the Council has installed two such units in Scottburgh and will look at other prospective sites should the need arise.

Communication

The availability of the consultant to the general public has continued to be well-publicised and the public has reacted well to the reliable availability of signage expertise. The consultant has attended 195 formal appointments with signage role players throughout this past year.

Revenue

The tariffs attached to the various signage permits required in terms of the signs by-laws were reviewed in the context of any feedback received from the affected public during the last year, as well as the market in general countrywide.

Reporting period	Revenue collected	Increase/decrease	Signs removed	Public appointments
30 June 2006 to 1 July 2007	R23 264			
30 June 2007 to 1 July 2008	R211 886	890%	489	191
30 June 2008 to 1 July 2009	R303 054	30%	462	195
30 June 2009 to 1 July 2010	R 190 524	-37%	559	164

The period preceding 2009/2010 saw the collection of R303 054 in revenue from signage. The 2009/2010 period saw the collection of R190 524 in this respect, a decrease of over 30%. This negative growth is reflective of the general economic downturn experienced not only in South Africa, but worldwide. The advertising budgets of most companies, especially small to medium sized enterprises, are usually the first to be reduced and it can be seen that this trend is being followed in a non-metropolitan area such as Umdoni.

Physical monitoring

Signage within the area has been actively monitored resulting in the physical removal of a record 559 signs placed within Council-controlled property. The downturn in revenue has not affected the active control of signage within our area and more illegal signage is expected to be erected.

The sign removals still take place predominantly on weekends and public holidays, thus displaying the commitment of the Council to provide the service outside of normal operating hours.

During 2010, through long negotiation, permission was obtained from the Department of Transport for the Umdoni Municipality through its Signage Section, to remove illegal signage placed within provincial road reserves. The signs are removed according to a pre-approved schedule of illegal signs and taken to the Pennington storage unit until they are either collected or destroyed.

Conclusion

The year 2009/2010 has again seen a focus on communication and physical monitoring. The economic downturn will continue to affect the revenue collection through the balance of 2010, however, the signage initiative will be taken positively forward once the Chief Magistrate has signed off the schedule of fines attached to the Umdoni Signs Bylaws.

Legal & Estates Section

Long term agreements

Long-term agreements were entered into during the year under review as listed over the page:



Agreements entered into with	Description	Duration
Standard Bank	Agreement to enable Councillors belonging to Municipal Councillors' Pension Fund to apply for the Plus Home Loan from Standard Bank	Duration not stipulated Agreement signed on 17 August 2009
Development Bank of South Africa	Agreement in respect of the KZN Municipal Property Rates Act: Loan Support (Account to be used for MSIG Funding)	For the 2009/2010, 2010/2011 and 2011/12 period
Eskom	Funding agreement for free basic electricity	01/07/2009 to 30/06/2012, which period may be extended
Telkom	Agreement for a telephone and fax line, with equipment, for the Malangeni Library	23/10/2009 for an unstipulated ongoing period
Sunset Point Prop 7 cc t/a Le Paradis Lodge	Illuminated street name indicator	22/2/2010 for a minimum period of 36 months
Faurco Investments (Pty)	Illuminated street name indicator	22/2/2010 for a minimum period of 36 months
TWS Digital Printing cc	Maintenance agreement for the Kyocera FS 1116 MFP photocopier in the Ward Committee Section	Signed on 8/07/2009 Month-to-month contract, which can continue until terminated by either party
Copy Link Group	Rental and maintenance agreement for Kyocera FS-1128 MFP photocopier in the Housing Department	Signed on 17/11/2009 for a minimum period of 36 months, i.e. 17/11/2012
TWS Digital Printing cc	Service agreement for the FS 1128 MFP Photocopier at the Malangeni Library	Signed on the 28/01/2010 for an initial period of five years
Custom Capital	Rental agreement	Rental agreement signed on 1 March 2010 for initial period of 36 month
TWS	Rental and maintenance agreements for Kyocera Taskalfa 5201 photocopier in Committee Section	Service agreement signed on 29 March 2010 for initial period of 60 months
Technologies Acceptances – rental agreement Capital Office Automation – maintenance agreement	Agreement for Xerox WCP 5675 copier/fax machine in Registry Section	Rental agreement signed on 22 June 2010 for an ongoing period Signed on 22 June 2010 for an initial period of three years, thereafter ongoing as required
Telkom	Telephone, fax line and equipment agreement for the Malangeni Library	Signed on the 23/10/2009 for an unstipulated and ongoing period
Contour Technology (Pty) Ltd	Master pre-payment server hosting, Support and Maintenance Agreement	Signed on 1/01/2010 for a minimum period of one year, to continue for an unstipulated period
Hutts Protection Services cc for traffic and law enforcement offices in Umzinto	Agreement for Armed Response Services	Signed on 10/03/2010 for a minimum period of one year, to continue for a further contract period unless written cancellation is submitted
Vodacom 3G data contracts	Eight 3G data contracts for use by senior managers	Signed on 31/03/2010 for a minimum period of 24 months
Evaluations – memorandum of agreement	Maintenance of the valuation roll including interim valuations	Signed on 1 July 2009, terminating on 30 June 2012
Assignment of contract agreement with Illovo Sugar (South Africa) Ltd	Sale of Erf 323 Sezela by Illovo Sugar Ltd to Illovo Sugar (South Africa) Ltd and cession and assignment by Illovo Sugar Ltd to Illovo Sugar (South Africa) Ltd of all its rights and obligations under the Industrial & Sewage Treatment Works & Road Maintenance Agreement dated 24 June 1999	Signed on 7 May 2010, in accordance with Council's resolution dated 31 March 2010

Agreements entered into with	Description	Duration
KZN Sharks Board – service level agreement	Agreement to provide safeguards for bathers against shark attacks	Duration shall be for a period of 36 months, from 1 July 2010 to 30 June 2013
Symantec License	Software anti-virus license	22 March 2010 to 21 March 2011
Ugu South Coast Tourism (Pty) Ltd	Service level agreement	1 July 2009 to 30 June 2014
Umdoni Business Chamber	Service level agreement	1 July 2009 to 30 June 2010
Standard Bank	Mayor's vehicle – Dodge Journey 2.0 CRD	1 January 2010 to 1 April 2013
EDI Holdings and Department of Minerals and Energy	Accession agreement (resolution)	27 May 2010 – ongoing

With the exclusion of the above Agreements, information relating to Long-Term Agreements as disclosed for the 2008/2009 Annual Report has not altered and therefore has not been included.

Short term agreements

The following short-term agreements were entered into during the year under review:

Agreements entered into with	Description	Duration
Nazareth Baptist Church	Agreement to provide safeguards for bathers against shark attacks	Duration shall be for a period of 36 months, from 1 July 2010 to 30 June 2013
(SR. U3 – No 14)	Caretakership Agreement for Erf 146 (Sub 5) Umzinto	9/01/2010 to 9/01/2013
Liquid Platinum (SR. Technical – No 10)	Service Level Agreement. Consultant (Liquid Platinum) will be responsible for the Project Management, auditing, administration, interfacing, reporting and processing of controls in respect of the Municipality's Disaster Rehabilitation Programme	1 July 2009 to 30 June 2014 Not stipulated
Sharks Board service level agreement (SR. A3 – No 16)	Provision of shark nets at Scottburgh Main Beach and Rocky Bay (Park Rynie)	Signed on 1/07/2009 for a period of 12 months
Department of Health (SR. P3 – No 11)	Memorandum of Understanding for the use of municipal premises at the Ifafa Beach Library by the Department of Health for the operation of a mobile clinic, once a month	Effective from commencement date to 31/12/2010. Agreement may be extended as agreed by both parties
Pleasure Foods (Pty) Ltd	Lease of premises at the Scottburgh Beach Pavilion	1 May 2010 to 30 October 2010
Scottburgh Water Slide	Lease of grounds at the Scottburgh Beach Pavilion	1 May 2010 to 30 October 2010
Miniature Golf Course	Lease of grounds at the Scottburgh Beach Pavilion	1 May 2010 to 30 October 2010
Geodebt Solutions cc	Software/System 'add-on' to SAMRAS system	1 July 2009 to 30 June 2010
Denis Marshall Enterprises	Service level agreement	1 July 2009 to 30 June 2010
Department of Energy	Funding and implementation of the electrification programme	1 April 2010 to 31 March 2011

Leases

The following leases were entered into during the year under review:

Leases entered into with	Description	Duration
Ellingham Park (Pty) Ltd – t/a Rocky Bay Caravan Park	Lease of Erf 572 Park Rynie	1/02/2010 – 31/01/2015
Umdoni Local Football Association	Umzinto Sportsfield Lease – Portion 2 of Erf 328 Umzinto	1/08/2009 – 31/07/2010
Pennington Ratepayers Association	Lease of municipal offices in the Pennington Office complex, utilised by the South African Police Services	1/12/2009 – 30/11/2010
Pleasure Foods/ Wimpy SA	Lease of municipal property at the Scottburgh Beach Pavilion	1/09/2009 – 30/04/2010 and 1/05/2010 – 30/10/2010
Mr B S Joubert/ Scottburgh Water Slide	Lease of municipal property (land) at the Scottburgh Beach Pavilion	1/09/2009 – 30/04/2010 and 1/05/2010 – 30/10/2010
Mr B S Joubert/ Scottburgh Miniature Golf	Lease of municipal property (land) at the Scottburgh Beach Pavilion	1/09/2009 – 30/04/2010 and 1/05/2010 – 30/10/2010
Mrs J McConnel/Fun Hire	Lease of municipal property (land) at the Scottburgh Beach Pavilion	1/09/2009 – 30/04/2010 and 1/05/2010 – 30/10/2010
Mrs J McConnel/All Sorts Shop	Lease of municipal property (land) at the Scottburgh Beach Pavilion	1/09/2009 – 30/04/2010 and 1/05/2010 – 30/10/2010
Mr R X Shinga (member of staff) Signed lease still to be returned by Mr Shinga (presently on leave)	Portion 4 of Sub 1 of Lot 146 Umzinto	1 January 2010 to terminate upon the last working day of the lessee in the event of dismissal or resignation or upon one month's written notice by either party



Policies adopted during the year under review

Policy	Policy adopted in terms of Council resolution number
Disposal of Municipal Land	Exc.9.2/Nov 2009 dated 25 November 2009
Attendance, Punctuality and Official Working Hours	A.6.3/Feb 2010 dated 24 February 2010
Code of Conduct for all Municipal Staff	A.6.4/Nov 2009 dated 25 November 2010
Housing Allocation	CS.9.12/Sept 2009 dated 30 September 2009
Petty Cash	F.4/Jul 2009 dated 3 August 2009
PMS Framework & Policy Review	C.11.1/Jul 2009 dated 3 August 2009
Mobile Advertisements Placed at Designated Positions within Municipal area	A.3.2/Feb 2009 dated 25 February 2009
Use of Beach Area	CS.15.2/Aug 2007 dated 25 February 2009
Corporate Wardrobe & Dress Code Policy	A.6.3/Mar 2010 dated 31 March 2010
Fire Arm Policy	CS.13.3/May 2010 dated 26 May 2010
Amended policies	
Study Leave Policy	Amended on 3 August 2009
Acting Allowance Policy	Amended on 30 September 2009
Indigent Policy	Amended on 28 October 2009
Investment and Cash Management Policy	Amended on 25 November 2009
Recruitment and Selection Policy	Amended on 25 November 2009
Supply Chain Management Policy	Amended on 3 August 2009
Ward Committee Policy	Amended on 24 February 2010
Overtime Policy	Amended 24 February 2010
Travel and Subsistence Policy	Amended on 24 February 2010
PMS Framework and Policy Review	Amended on 3 August 2009
Housing Allocation Policy	Amended on 30 September 2009
Rates Policy	Amended on 26 May 2010

Bylaws promulgated during the year under review

Shipping Container Bylaw	Council Resolution No: A.5.2/Feb-2010 dated 24/02/2010 Promulgated on 18 March 2010
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Business licenses

Business Licenses are primarily issued to food outlets, restaurants and businesses which deal with the preparation of food. The following licenses were issued after approval was obtained from the Town Planning, Fire and Disaster Sections and Ugu District Municipality's Health Inspectorate (see over the page).



Business	Date of issue
Dube's Pub and Grill Restaurant	15 September 2009
The Deck Restaurant	5 October 2009
Lakeview Frail Care and Lifestyle Village	13 November 2009
Medina Café	16 November 2009
Theo's Fast Foods	16 November 2009
Gora's Meat Market and Meat Processing Plant	20 November 2009
Pelican Café and Take-Away	23 November 2009
Botha House	15 December 2009
Safra's Fish Shop	29 January 2010
Nanini Café and Take-Away	18 May 2010
La Boutique Du Chocolat	20 May 2010
Penn Valley Golf Club	31 May 2010

Valuation appeals

A total of 201 valuation appeals were received prior to the year under review. The appointment of the Valuation Appeals Board has recently been finalised by the Department of Co-operative Governance. The hearings of all appeals are expected to be finalised by the end of October 2010.

Sale of Municipal property

Twelve properties were advertised for sale by public tender during March 2010. No offers were received. Council resolved on 30 June 2010 that the sale of these municipal properties be placed on hold pending an improvement in the property market, and that it be reviewed towards the end of September 2010.

Ward Committees

Establishment of Ward Committees

The establishment and operation of Ward Committees must be in accordance with Sections 72 to 78 of the Local Government: Municipal Structures Act, 1998. Ward Committee members shall be elected in the office for a period of five years or more. The function of Ward Committees is to increase participation of local residents in municipal decision-making, as they are a direct link to Council and communities. Ward Committees were introduced in municipalities as community structures to play a critical role in linking and informing the Municipality about the needs, potential and challenges of the communities.

Each Ward Committee consists of ten individuals plus the Ward Councillor who, according to the Act, must be the chairperson of the committee. The Ward Councillor chairs meetings of the Ward Committee for which he or she is responsible. They should always act in the best interests of the Ward Committee and the entire community. Meetings are convened at least once per quarter with all ward members in order to discuss matters of common concern affecting wards and the challenges being experienced by Ward Committees. The objective of Ward Committees is to promote and facilitate interaction between the Council and the community in a particular ward.

Ward Committees are described as:

- an advisory body
- a representative structure
- an independent structure,
- an impartial body that must perform its functions without fear, favour or prejudice.

Annual schedule of meetings

Meetings are scheduled and circulated in advance in order to plan and prepare Councillors for forthcoming quarterly meetings.

The following is a breakdown of meetings per ward:

Ward/Councillor	No. of meetings scheduled	No. of meetings held
Ward 1: Cllr D Cele	4	2
Ward 2: Cllr PH Ngcobo	4	3
Ward 3: Cllr M Moodley	4	1
Ward 4: Cllr MO Zama	4	3
Ward 5: Cllr EV Baptie	4	5
Ward 6: Cllr NH Gumede	4	3
Ward 7: Cllr RJW Meyer	4	2
Ward 8: Cllr GH Myende	4	Nil
Ward 9: Cllr ES Gumede	4	3

A quarterly report on Ward Committee performance is tabled to Council for discussion and in order to address issues of concern.

Skills development and training

The Municipal Systems Act provides the core principles, mechanisms and processes that are necessary for the Municipality to fulfill its objectives. Ward Committee structures accommodate training workshops that enhance community participation. Ward Councillors and members are given the necessary skills to deal with matters relating to and involving the public. In order for Ward Committees to perform their functions and exercise their powers efficiently and effectively, Ward Secretariats were appointed in the various wards.

The Chairperson and the Secretary is responsible for preparing an agenda for Ward Committee meetings. The Secretary must take minutes of such meetings and ensure that a proper filing system is in place where all documents and records of the Ward Committee's activities are kept.

Ward Committees Training and Capacity Building Workshops were conducted which addressed challenges and potential conflict issues related to participatory democracy and development, particularly at local level. The objective of these workshops is to build skills to participate effectively in governance in order to maximise service delivery.

The following workshops and trainings were conducted during the year:

- 1. CPP Workshop (Public Participation & Development) Course 1/16-18 February 2010;
- 2. CPP Workshop (Public Participation & Development) Course 2/16-19 March 2010;
- 3. Community Based Planning Workshop: 18-19 May 2010.

Office accommodation

A fully equipped office was established for the Ward secretariat to perform his/her duties. The office is equipped with a computer, printer/copier/scanner and office furniture.

A Ward Committee official is available at the office, whose key role is to offer support and assist administratively where necessary. The official is to ensure that all correspondence from Ward Committees is as per specification before going to Council.

Suggestion boxes and notice boards

Suggestion boxes for wards are meant to supplement the Municipality's existing community participation programmes and to improve communication between Council and its community. Suggestion boxes and notice boards were installed in the respective wards to obtain additional comments, suggestions and requests directly from the community. Such input is collected on a weekly basis and processed through relevant departments as well as the Management Committee.



Stipend – Secretary and Ward Committee members

A total provision of R115 000 was made available from the MSIG funding for the functioning of Ward Committees. Subject to national legislation, a remuneration of R250 is payable to Ward members for attendance at Committee meetings and R750 to the secretariat for administration duties.

Challenges

The current system is working relatively well, with just a few minor challenges. The major concerns raised by the Ward Committees was with regard to roads, water, sanitation, electricity and housing, specifically in the rural areas. Despite Ward Committees having been in existence for a few years, a great deal of capacity building still needs to be occur to ensure a meaningful contribution to community development.



Community Services Department

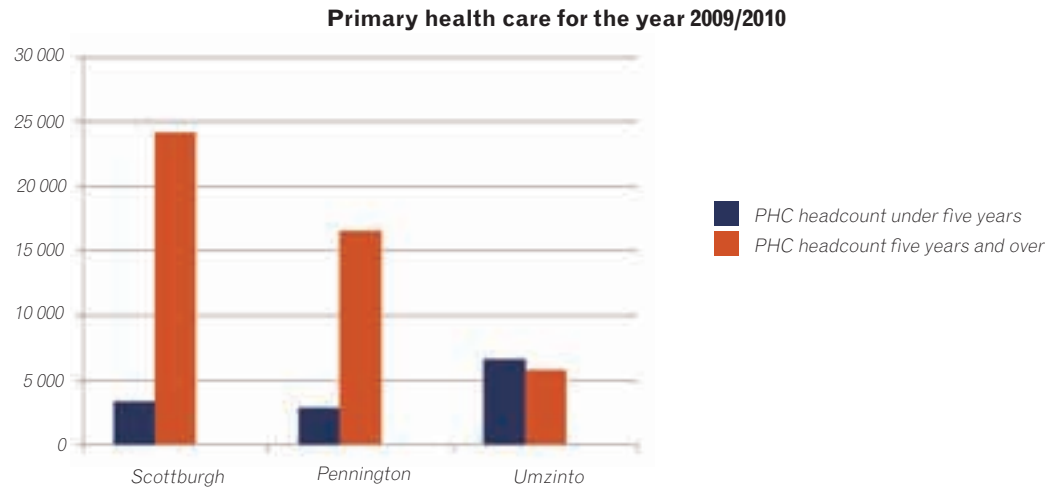


Clinics Section

Routine summary of clinic statistics

July 2009 – June 2010			
	Scottburgh	Pennington	Umzinto
*PHC headcount under five years	3 847	2 906	4 950
PHC headcount five years and over	21 713	17 666	3 527
July 2008 – June 2009			
	Scottburgh	Pennington	Umzinto
PHC headcount under five years	3 678	2 415	5 633
PHC headcount five years and over	22 057	15 439	3 946

*PHC – Primary Health Care



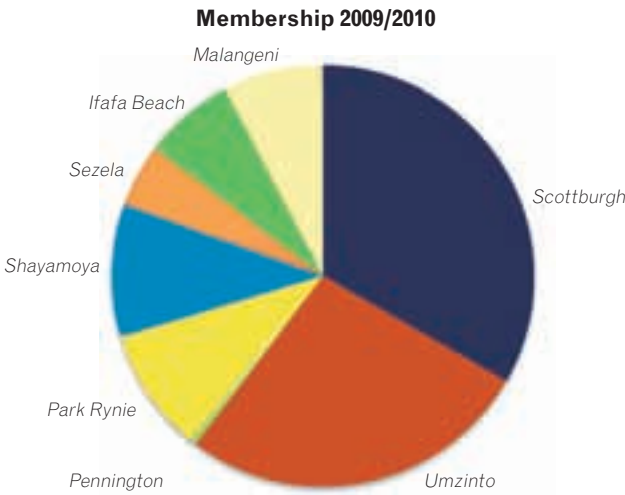
There are four nurses at the Scottburgh Clinic, three nurses at the Pennington Clinic and two nurses at the Umzinto Clinic. The Scottburgh and Pennington Clinics have HIV counsellors who are available during operating hours.

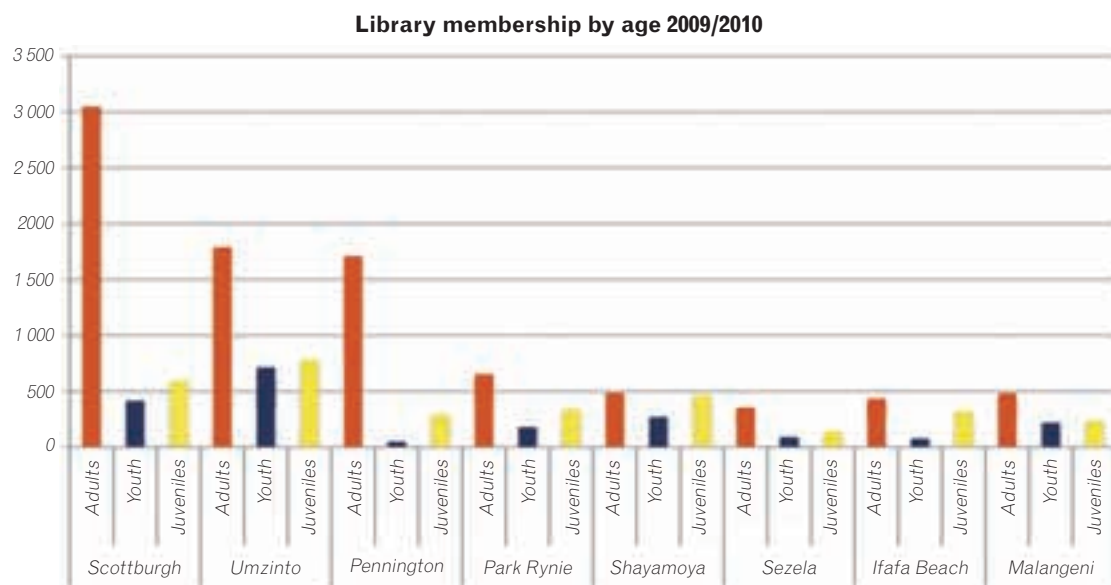


Libraries Section

Umdoni library statistics

Library	Membership		Prints (books)		Non-prints (CDs, DVDs, videos)	
	2008/2009	2009/2010	2008/2009	2009/2010	2008/2009	2009/2010
Scottburgh	Adults: 2 920	Adults: 3 045	88 761	77 576	4 259	2 896
	Youth: 407	Youth: 412				
	Juveniles: 594	Juveniles: 595				
	Total 3 921	Total 4 052				
Umzinto	Adults: 1 791	Adults: 1 789	50 472	57 411	2 404	2 248
	Youth: 731	Youth: 713				
	Juveniles: 860	Juveniles: 787				
	Total 3 382	Total 3 289				
Pennington	Adults: 1 642	Adults: 1 711	39 680	39 644	3 280	3 364
	Youth: 58	Youth: 50				
	Juveniles: 303	Juveniles: 296				
	Total 2 003	Total 2 057				
Park Rynie	Adults: 609	Adults: 649	13 821	13 356	1 115	1 157
	Youth: 263	Youth: 176				
	Juveniles: 330	Juveniles: 339				
	Total 1 107	Total 1 164				
Shayamoya	Adults: 458	Adults: 486	19 245	19 654	1 709	1 740
	Youth: 263	Youth: 283				
	Juveniles: 445	Juveniles: 472				
	Total 1 166	Total 1 241				
Sezela	Adults: 315	Adults: 355	18 044	23 629	2 402	4 138
	Youth: 85	Youth: 89				
	Juveniles: 120	Juveniles: 143				
	Total 520	Total 587				
Ifafa Beach	Adults: 404	Adults: 434	8 525	8 247	107	164
	Youth: 107	Youth: 88				
	Juveniles: 333	Juveniles: 325				
	Total 844	Total 847				
Malangeni (from Dec 2009)		Adults: 481 Youth: 218 Juvenile: 237 Total 936	3 180		570	





Scottburgh Library

In August 2009, a cybercadet was appointed at the Scottburgh Library on a one-year contract which can be renewed for a further two years. The appointment of the cybercadet is funded by KZN Provincial Library Services for three years. The installation of six computers for the public and the ADSL connection was made possible by grant funding. The internet has proven invaluable for numerous pupils and tertiary students who utilise the library for research. The KZN Provincial Library Services further boosted the library's efficiency with the donation of a colour printer in November 2009.

One of the major challenges in the library is theft of books. The librarian has undertaken to encourage school children to leave their bags in the front of the library, which are taken care of by the volunteers.

Every year, the Provincial Library Services holds interest group meetings for the affiliated libraries. In December 2009, the fourth and final meeting of the year was held at Port Edward. This was attended by librarians from Ethekewini, Umdoni and Hibiscus Coast Municipalities.

In December 2009, the Umdoni librarians attended the Annual Provincial Library Services and Archives Conference at the ICC. The conference is free and librarians receive valuable input. A special pre-conference workshop was arranged for the cybercadets.

In January 2010, Umdoni librarians attended an open day at the KZN Library Services in Pietermaritzburg. This demonstrated how the whole library system functions and enabled them to discuss any problems they had regarding the supply of books, magazines and audio-visual materials.

In April 2010, the Provincial Library Services started converting from the PALS library programme to a new web-based Brocade-powered system called SLIMS. Umdoni libraries are eagerly awaiting their conversion to SLIMS.

The Soccer World Cup generated much excitement in the libraries, and Scottburgh Library set up displays in both the foyer and the library. The Municipality assisted by erecting flags, lights and soccer figures in front of the library. The Hobbies Circle ladies assisted the library in June and a highly successful Soccer World Cup colouring competition and party was held for children up to the age of 13. The Provincial Library Services supplied the pictures and crayons, as well as two soccer balls for prizes. The Hobbies Circle supplied additional prizes, a party pack for every child and refreshments for the party.



Umzinto Library

On 18 July 2009, Nelson Mandela Day, the Umzinto Library planned activities for the children from the Umzinto area. Stories were read to the children in English and IsiZulu. The children enjoyed the dancing and singing.

Stories are told regularly in the library. Colouring was completed on school holidays. During Library Week, the colouring competition had the SoccerWorld Cup theme. Soccer balls were provided by Library Services to the winners. The library put up an attractive display for the Soccer World Cup which created excitement among patrons.

Pennington Library

Pennington Library has been continuously assisting the Siyabona Creative and Learning Trust Project since 2008. The library donated toys and hampers to the children at GJ Crookes Hospital and the children at Kelso Village during Christmas 2009, who formed part of the 'Toy Story Too' Project.

The staff at the library had projects throughout the year to promote itself and reading.

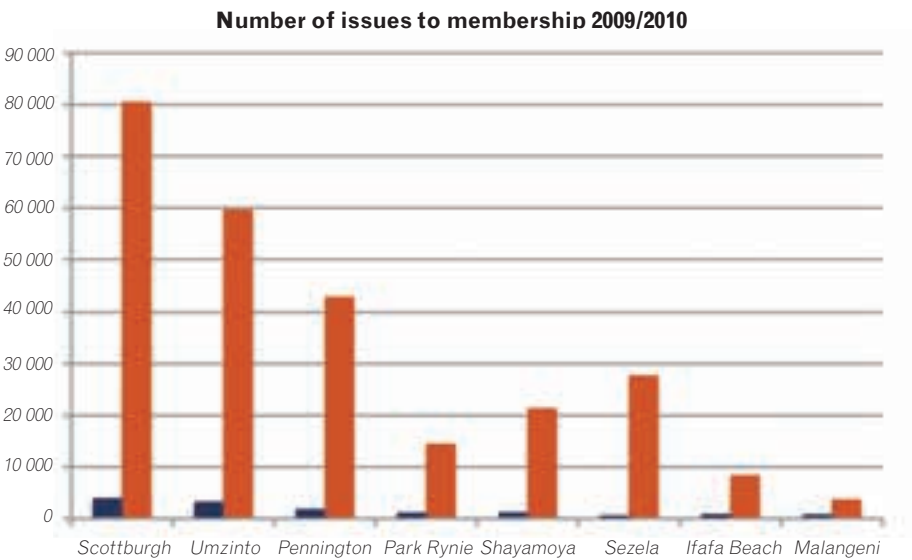
The children's craft was held at the library activities room on 23, 24, 25 and 30 June 2010 for age groups five to 12 years. The craft workshop covered five original crafts per day and was supervised by 'Nan' Quickleberg.

The Soccer World Cup fever gripped our patrons and staff thus creating a vibrant and exciting atmosphere. Patrons sat in the library and enjoyed the soccer matches. The Soccer World Cup colouring competition was enjoyed by the children and the winners received soccer balls.

Sezela Library

Sezela Library has expanded during the year. At the end of the financial year, membership totaled 520. Sixty-seven new members joined the library in 2009 /2010 financial year.

Every month the library has two displays set up, one adult and one juvenile. The displays have colourful backgrounds and pertain to current topics. The displays promote certain subjects that are part of the school curriculum as well as the adult lifestyle.



The children enjoyed having flags of various teams painted on their faces. They were also given crosswords, brainteasers and quizzes of the stadiums, famous players and soccer teams to enhance their knowledge about the Soccer World Cup.

Shayamoya Library

In August 2009, the library was selected to take stock of school project books from the Provincial Library Services.

In September 2009, or Heritage month, Shayamoya Library invited children for a Zulu dance display and promoted the culture of reading. During Library Week which in March 2010, the children were given posters to colour in, and the best coloured poster was selected. The two winners were given soccer balls as prizes. During this time, the staff at Shayamoya Library read stories to the children.

On 7 May 2010, the library had an interest group meeting where all librarians met and shared ideas and challenges.



Park Rynie Library

The staff at Park Rynie Library enjoy assisting the patrons and school children with their different projects and assignments and the librarian is in constant contact with the local schools. The children assisted with the display of the Soccer World Cup and they also enjoyed the colouring competition.

Ifafa Library

During Library Week, Ifafa Library invited the local children and told them stories. The children also enjoyed themselves with painting and colouring and they received library bags, bookmarks and balloons. The children also participated in the Soccer World Cup colouring competition.



Malangeni Public Library

The Malangeni Library opened its doors to the public in December 2009 after being equipped with furniture and books. The librarian visited the local schools to promote the library. In December 2009, the librarian was invited to the local creche graduation ceremony where she told the parents about the importance of reading and also encouraged the children to use the library effectively.

The library staff are very helpful in assisting the users with membership cards, finding books, and stories are read to the children and they are allowed to watch movies. In December 2009, the librarian attended the annual conference held at the ICC in Durban.

On 18 February 2010, Library Services hosted the ever popular 'Opening Day' for affiliated public libraries and 14 municipal officials. The librarians were allowed to select materials from the Central Reference Library.

On 25 March 2010, the library hosted a Soccer World Cup fever colouring competition. There were two age categories: up to six years and seven to 10 years. Both winners received a soccer ball.

In March 2010, seven computers, two printers and a colour printer were delivered by Provincial Library Services and the library is now equipped with the internet.

On 3 and 4 May 2010, the librarian visited the nearest school to research the pass rate and it was discovered that the pass rate had improved after the library had opened.

Beach Section

The beach section is made up of 19 staff and is structured as follows:

- Beach manager
- Senior lifeguard
- Four lifeguards
- Twelve general workers
- One security officer.

The Umdoni Beach area covers 40 km of coastline, with some very rocky areas, and kilometres of sandy shoreline. The task of this Section is to maintain all beaches, braai areas, parking areas, facilities and

buildings in an acceptable condition for visitors and locals alike.

Due to the vast shore line (40 km), Council staff cannot maintain all of the area. Contracts are awarded on an annual basis, and the successful contractors are liable to ensure that the beach, parking and braai areas are maintained.

The Beach Section is divided into two areas:

- Area 1 begins at Black Rock in the north and ends at Rocky Bay in the south. Here the contractor works on weekends, public holidays and in season periods only.
- Area 2 begins at Kelso station and ends at Mtwalume beach. Here the contractor works seven days a week.

During the seasonal periods, additional staff (67 general workers and 33 lifeguards) are employed to cater for the large influx of people that congregate on the beaches. Twelve additional bathing beaches are also opened.

Functions

The following functions form part of the services that are provided;

- lifeguarding services, which include the rescue of those in difficulty and First Aid;
- the cleaning of all facilities and grounds, inclusive of the cutting of grassed areas;
- repairs and maintenance, attendance to lost children and property;
- a safe, friendly and warm environment for visitors and residents;

Six weddings and five night markets were successfully held at the beach area.

Statistics

The following statistics provide an indication as to the popularity of our beach areas (see over the page).



Events/Incidents	
The estimated number of people who visited the Umdoni beaches during the year	376 545
First Aid cases	2 001
Drownings	1
Banned bathing due to dangerous sea conditions and shark sightings	17 days
Call outs at other beaches	Nil
Pollution (flooding river)	150 days
Total rescues	1 300 (two females were successfully resuscitated and transported to the local hospital)

Income

The income collected from the car parking areas within the Beach Section: R 211 000.

Accomplishments

Some of the accomplishments within the beach section area as follows:

- clean beaches
- clean facilities
- all complaints were attended to.

Developments

The following developments/attractions will certainly enhance the beach areas and keep the visitors coming back to the area.

- swimming/paddling pools in and around the beach areas;
- development of staff – (training);
- increase in parking area space.



Campsite report

Structure

The campsite comprises the following staff:

- one campsite attendant
- one campsite attendant vacant.

Staffing

The campsite is currently understaffed and its potential is not being fully realised. For the campsite to function to its full potential, the following will be required:

- a supervisor
- a minimum of four additional cleaning staff;
- a booking system;
- the marking of sites.

Function

To provide a safe and friendly environment for its patrons, thereby attracting tourism to the area. Two weddings were held within the campsite.

Income

Income generated by the campsite this financial year was R 400 000. This was achieved due to the changing of staff and the strict collection procedures as implemented by the GM: Community Services.

Challenges

- Marking of the campsite into sites.
- Identifying a booking system.
- Attracting the right staff.

Community Facilities Section

Community halls

Umdoni Municipality has six community halls and two town halls. The facilities are equipped as follows:

List of halls	Chairs	Tables	Kitchen facility	Stove	Fridge	Ceiling fan	Aircon	Alarm system
Community halls								
Amahlongwa Hall	200	10	Yes	No	No	Yes	No	Yes
Amandawe Hall	300	10	Yes	No	No	Yes	No	Yes
Malangeni Hall	200	10	Yes	No	No	Yes	No	No
Shayamoya Hall	200	10	Yes	No	No	Yes	No	Yes
Ghandinagar Hall	100	10	Yes	No	No	Yes	No	No
Town halls								
Umzinto Town Hall	750	100	Yes	Yes	Yes	No	Yes	Yes
Umzinto Dining Hall	200	20	Yes	No	Yes	No	Yes	No
Scottburgh Town Hall	300	30	Yes	Yes	No	Yes	No	Yes





Scottburgh Town Hall

The upgrade of Scottburgh Town Hall has been completed. It comprises a wing and a fully equipped kitchen, air-conditioning and PA system. This hall was officially re-opened by Mr Ravi Pillay, a member of KZN Legislature, on 17 June 2010.

The upgrading of Amandawe and Amahlongwa Community Halls have been completed and are now in full operation.

Statistics

List of halls	No. of hires	
	2008/2009	2009/2010
Umzinto Town Hall	153	210
Umzinto Dining Hall	37	192
Scottburgh Town Hall	97	86
Malangení MPCC	44	144
Shayamoya Community Hall	19	12
Amandawe Community Hall	57	105
Amahlongwa Community Hall	32	96
Ghandinagar Hall		78



Sports fields

Progress report on sports fields:

List of sports fields	Fencing	Flood-lighting	Ablution Blocks	Combi court	Sitting stands	Upgrade
Malangeni Sports Field	Yes	Yes	Yes	Yes	Yes	Presently being upgraded due to floods
Umzinto Sports Field	Yes	Yes	Yes	Yes	-	Completed
Shayamoya Sports Field	-	-	-	-	-	Completed
Amandawe Sports Field	-	-	-	-	-	Presently under construction
Olwasini Sports Field	-	-	-	-	-	Presently under construction
KwaCele Sports Field	Yes	-	-	Yes	-	Completed
Ghandinagar Sports Field	-	-	-	-	-	Completed, awaiting handover

Umdoni Municipality has now established six sports fields and three have been completed. Amandawe, Olwasini and Ghandinagar sports fields are presently under construction.

Cemeteries

Statistics for 2008/2009 and 2009/2010

Number of Burials	
2008/2009	2009/2010
80	192

The Shayamoya Cemetery is fully operational. The construction of ablution blocks and a waiting area has been completed.

The establishment of the Humberdale Cemetery is in progress and it is currently fenced.



Protection Services Section

Traffic

	Anticipated income	Actual income
2008/2009	R956 700	R720 394
2009/2010	R819 200	R560 220
Income for taxi ranking fees		R23 924

Total prosecutions on written notices	1 666
Total spot fines	566
Number of accidents attended to by the traffic staff	55

Umzinto Test Centre

May 2010 saw the introduction of:

- the computerised Learners Licence Testing System. We have 10 touch screen computers fitted at the cost of the Department of Transport.
- the electronic booking system for driver licence testing and learners licence testing.



Totals for 2008/2009

Driver's licence application	Driver's licence issued cards	Learners licence applications	Learners licence issue
6 466	9 105	3 414	1 217

Road worthy cert. application	Road worthy Cert. issue	Professional driving permit application	Instructor cert. application	Instructor cert. application
354	323	1 356	21	20

Totals for 2009/2010

Category	Totals	Passed	Failed	2009/2010 income
Drivers license applications	4 199	2 975	1 224	R1 500 954
Drivers license issued cards (including renewals)	5 160			R1 651 195
Learners license applications	2 705	1 360	1 345	R387 270
Learners license issued				
Professional driving permit issued	1 482			R313 471
Professional driving permit application				
Road worthy certification application				
Road worthy certification issued	361	287	74	R95 338
Instructor permit application	19			R6 790
Instructor permit issued	22			R1 600

Motor licencing

Year	No. of vehicles licensed	Income
2008/2009	35 571	R1 060 122
2009/2010	30 236	R1 168 140

Fire Section

Fire prevention

The Section is divided into three areas: Umdoni, Umzumbe and Vulamehlo Municipality.

Fire prevention	Umdoni Municipality	Umzumbe/Vulamehlo Municipality	Totals
New businesses	66	Nil	66
Routine inspections	105	6	111
Building plans inspected	40	3	43
Building plans approved	22	2	24
Re-inspections	63	1	64
Fireworks	32	2	34
Controlled burning	8	Nil	8
Total	34	14	350

Operations

Type of incident	Umdoni Municipality	Umzumbe Municipality	Vulamehlo Municipality	Totals
Dump fires	15	Nil	Nil	15
Bush fires	138	78	32	248
Vehicle fires	7	Nil	2	9
Aircraft crash	Nil	Nil	Nil	Nil
Aircraft emergency landing	Nil	Nil	Nil	Nil
Electrical fires	4	2	1	7
Structural fires	60	28	6	94
Trees across roads	46	Nil	16	61
Special services	16	7	5	28
False alarm (good intent)	4	6	2	12
Garden refuse	121	Nil	Nil	121
Chemical fires – spills	2	Nil	Nil	2
Floods	Nil	Nil	Nil	Nil
Medical rescue	1	Nil	Nil	1
Motor vehicle accidents	68	4	6	78
Hazmat (specify)	6	Nil	Nil	6
Assisted Umzumbe/Vulamehlo Municipality				
Totals	488	125	69	682



Housing Section

Introduction

Council has identified and recognised housing as one of the most important service delivery areas. The Human Settlements Section is part of the Community Services Department and a housing debtors section resides in the Financial Services Department. The Human Settlements Section focuses on housing administration and the implementation of new projects, maintenance of existing projects and planning of future projects. The Housing Debtors Section concerns itself with housing debtor's accounts of rental stock and the calculation of final house prices and the transfer of government housing stock to beneficiaries. The housing offices also act as an information office for the Housing Rental Tribunal.

Meetings

In its quest to give housing matters specialised attention and impetus, Council resolved to remove housing matters from the Community Services Portfolio Committee Agenda and to convene separate monthly Human Settlements Committee meetings under the auspices of Exco. In addition to these meetings, stakeholders' meetings have been held to focus on specific matters such as land acquisition, environmental concerns, planning approval, informal settlements etc. Allocation of houses in the government housing stock has been undertaken by the Housing Allocation Committee.

Type of meetings	Number of meetings held
Community Services Portfolio Committee meetings which included housing matters	8
Housing Sub Committee/Human Settlements Committee meetings	9
Stakeholders' meetings	17
Housing Allocation Committee meetings	4
Total	38

Housing projects

Ifafa Glebe Housing Project, Malangení (1 863 housing opportunities)

This People's Housing Process (PHP) project was undertaken by a Section 21 Company, the Malangení Housing Support Committee. The Department of Human Settlements approved 1 967 houses and of this, 1 863 houses have been completed.



Unfortunately, 54 houses became vacant and vandalised when beneficiaries abandoned their houses for no apparent reason. The procedure for dealing with missing beneficiaries has been followed and a list of substitute beneficiaries is being compiled. Outstanding matters are being attended to for the project close out.

Malangeni Rural Housing Project (1 000 housing opportunities)

Of the approved 1 000 rural in situ rural housing upgrades, 726 houses have been completed and handed over to beneficiaries. This project is ahead of its target and is expected to be completed by December 2010. Regular meetings of the Project Technical Committee and the Project Steering Committees have been held.



Amahlongwa Mission Reserve Rural Housing Project (1 000 housing opportunities)

The Department of Human Settlements has approved Tranche 2 funding for the construction of 1 000 rural in-situ housing units. UGU District Municipality is the implementing agent and tenders have been advertised. It is envisaged that two contractors will be appointed, one contractor for Amandawe and one for Amahlongwa, in order to accelerate housing construction.



Umzinto Slums Clearance Housing Project, Farm Isonti (2 252 housing opportunities)

Funding to the amount of R118 104 525 has been approved by the Department of Human Settlement for a green fields project yielding 1 925 low income houses and 327 middle income serviced sites. The biggest challenge has been land security and the major portion of development land was acquired by expropriation.

New challenges surfaced when it emerged that an on-site sewer treatment plant has to be installed as the previous plan to connect to the existing Umzinto sewer works was aborted due to inadequate capacity. As the on-site sewer plan would have triggered environmental concerns – a more comprehensive environmental study was necessary for the EIA process in order to attain a record of decision. Another challenge was the need to change the application for planning approval from DFA to LEFTY to PDA. Provincial authorities have informed the Municipality that the DFA and LEFTY could no longer be used. Planning approval has been devolved to Municipalities since 1 May 2010 and approval has to be processed in terms of the Planning Development Act.

The Environmental Impact Report was submitted to the Department of Environmental Affairs, Agriculture and Rural Development. An implementing agent for Tranches 2 and 3 of the project will be appointed in July 2010.



Two new replacement blocks of flats in Riverside Park (12 flats)

Two blocks of flats via New Mahogany and New Hibiscus were constructed to replace the flats damaged beyond repair in the June 2008 floods. The construction was completed and the flood victims took occupation of the flats in September 2010.



Flood damaged houses in Ghandinagar Township (33 houses)

Aquiring an alternate site to build houses and relocate flood victims has proven challenging with regards to cost effectiveness and the availability of suitable land. Engineers are looking into options where the risks of houses being flooded can be reduced by implementing certain measures.



Temporary emergency housing and housing for flood victims in rural areas (564 houses)

The 564 temporary houses provided by the Department of Human Settlements to house the informal settlement flood victims are now occupied.



Housing for flood victims in rural areas

The Department of Human Settlements has appointed a contractor to build 203 permanent houses for flood victims in rural areas. Sixty-one houses have been completed and handed over to beneficiaries.

Transfer of Government housing stock
Ghandinagar

With approved funding from the Department of Human Settlement, housing stock has been transferred from the Municipality to beneficiaries in the Ghandinagar Township.

405 title deeds have been registered in the name of beneficiaries. Residents have been encouraged to take advantage of the Enhanced Extended Discount Benefit Scheme (EEDBS) which enables home ownership.

Riverside Park

A project facilitator will be appointed in August 2010 to undertake the transfer of the 300 flats in Riverside Park to beneficiaries in terms of the EEDBS.



Repairs to violence-damaged 'Renaissance' Houses

During the political violence of the 1980s, many houses were damaged and the Department of Housing provided funding to repair the damaged houses. Four houses have been repaired, and an alternate site has been acquired for the fifth house – construction is expected to commence shortly.



Housing for a desperate and disabled person

The condition of a house in Amandawe which was partially damaged in the June 2008 floods deteriorated to the extent that it was inhabitable. The beneficiary was a physically challenged person. A replacement house and outside pit toilet was constructed with the assistance of a generous benefactor. The occupant is very happy and grateful for the assistance given.

A draft policy for emergency housing has been developed and is receiving the attention of the Provincial Department of Human Settlements. It will thereafter be adopted by Council and used as a guideline for emergency housing situations.



Future housing projects

Future projects have been identified as follows: Ingonyama Trust Land, Amandawe Rural Phase 2, Umzinto Urban, Malangeni Urban Phase 2, Amahlongwa Rural Phase 2, Malangeni Rural phase 2.

The housing backlog can only be reduced or eliminated if roll out of projects happens continuously. Council is committed to ensure that time intervals from one project to another is minimal.

Housing sector plan

The housing sector plan will be reviewed in the 2010/2011 year.

Special Programmes Section

Disability programme

The Office of Special Programmes conducted a Disability Awareness Event that was held on 15 December 2009 at Umzinto Town Hall. The main objectives were to do away with the stigma and prejudice that goes with living with disabilities: The public need to be aware that people with disabilities need to be treated with respect and dignity.

Cane Furniture and Basket Weaving Training

This was one of the Council's decisive interventions aimed at empowering people with disabilities in the municipal area. The training commenced on 14 April and ended on 24 April 2009. Through an identification and selection process, eight people participated and each ward was represented, except Ward 7. Participants were awarded certificates upon completion of the course.

The main objective was to assist the graduates from this course to establish their own cooperative. Umdoni Municipality will now assist the group with start-up capital in the form of raw material and operating space, and link them with the LED so that they can sell their products.

HIV and Aids Programme

As a sphere of government closer to the people, the Municipality's role is to coordinate and implement programmes that promote awareness and mitigate the negative impact of the Aids pandemic.

The Local Aids Council (LAC) is a local multi-stakeholder forum comprising all government sector departments, civil society, business society and the Municipality in a collaborating effort to fight the scourge of HIV and Aids and to reduce the rate of new infections by 50% in 2011. The forum holds its meetings at least once a quarter.

HIV and Aids Awareness Campaigns

Statistics indicate a growing percentage of new infections among the school-going age group and hence the initiation of a programme that targets high schools as hotspots. In partnership with the Department of Education, the Department of Health and World Changers Academy, an HIV and Aids awareness campaign at Zithokozise High School (Ward 2), Sihle High School (Ward 9) and Gugulesizwe Secondary School (Ward 4) was conducted. The response was overwhelming and learners participated in activities and debates on selected topics aimed at stimulating awareness. The Municipality plans to roll out the campaign to other schools and make it even more effective through the involvement of other stakeholders.

Home-Based Caregivers Workshop

There is a significant role played by parents and family members of people infected with AIDS in that they care for their loved ones when they are bedridden at home. The programme is aimed at ensuring that home-based caregivers are safeguarded against infecting themselves in the process. The training was held at Umzinto Library on 9-10 June 2009. All orphans and vulnerable children were invited to attend, and representatives attended from all wards except Ward 7.

Youth development programmes

National Youth Service Programme – Paint a School Campaign

The campaign was facilitated in partnership with the Umsobomvu Youth Fund office. The main objective was to instill a culture of volunteerism among the youth and encourage them to be resourceful in their communities.

The campaign was held over four days at the Injabulo Senior Primary School, located in Amahlongwa (Ward 1). Approximately 100 local volunteers from different wards participated in this project and the initiative was well supported by the school principal.





Life Skills and Leadership Training

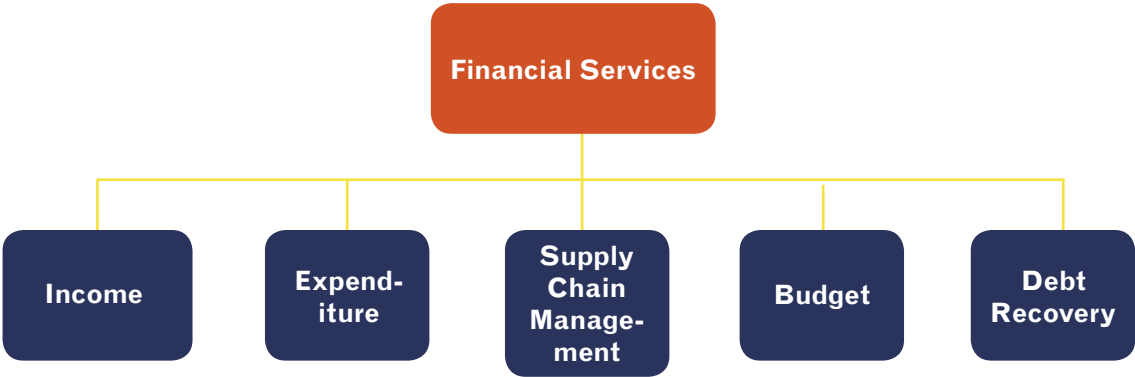
The Special Programmes Office, in partnership with World Changers Academy, conducted life skills training from 23 February to 26 March 2009. The graduation ceremony was held on 28 March 2009. The key components of the programme included: vision, goal setting, healing of the past, forgiveness, relationships, job preparation skills, communication skills, business skills, social skills and volunteerism.

The training was held at Amandawe Hall and was attended by young people from the majority of the wards. The purpose was to assist the youth of Umdoni to gain diverse skills in preparation for the future and workplace.

Senior Citizens Sports Day

Under the theme of promoting healthy living, Umdoni Municipality, in partnership with the Provincial Department of Sports and Recreation, hosted a Senior Citizens Sports Day. This was an indoor sports programme held in Umzinto Town Hall and was well attended by senior citizens across all racial groups. Sports codes included netball and soccer.

Financial Services Department



Income Section

Municipal property rates and valuation roll

1 July 2008 heralded the implementation of the first ever consolidated valuation roll within Umdoni Municipality. The market based valuation system represented a significant change from the municipal based system of valuation. Ratepayers were now rated on the willing seller, willing buyer principle as opposed to the previous municipal value.

During the course of the year, significant progress was made in improving the quantitative aspects of the valuation roll. All objections were responded to as well as the release of the fourth supplementary valuation roll during the course of the year. In addition, Umdoni Municipality has commenced an internal verification and review process of the completeness and accuracy of the valuation roll. This process is currently underway by the Technical Services Department and is monitored on a monthly basis by the Finance and Administration Portfolio Committee.

The Municipal Rates Policy is under a constant process of review with an emphasis on meeting the needs of the public within the prescripts of the law.

Timeously addressing ratepayer queries remains one of the benchmarks of a successful section. The creation of customer cubicles has proven to be a boon to assisting customers in a private, comfortable environment.

Indigent support

During the 2009/2010 financial year, Umdoni Municipality continued indigent support in respect of refuse services, certain categories of electricity users and rates.

In order to ensure the necessity of service, all applicants are subject to a verification process prior to the extension of such services.

The following table represents the amount of benefits extended to qualifying applicants:

	Refuse	Electricity	Rates
Number of households	782	1711	441
Rand value	R395 950	R676 976	R843 015



Debt recovery

Debt recovery remains one of Council's priority areas. While the plight of ratepayers in these tough economic times is understood, in order to remain a viable entity and render continued services to an ever increasing need, all revenue due must be collected. With the cost of services spiraling higher, it is imperative that the Municipality improves collection rates so as to negate the impact of any future increases.

The total recovery percentage against the charges for the 2009/2010 year increased to 97% as a result of accelerated debt recovery procedures. In addition, legal processes begun on defaulters in the previous year have begun to reach fruition.

Expenditure Section

Grant in Aid

Umdoni's Grant in Aid allocation is for the upliftment and assistance of non-profit organisations within the Municipality.

The delay in distribution of the 2009/2010 funds was as a result of the request to source additional funds in order to ensure a meaningful impact among the various successful institutions.

The 2009/2010 allocation was in the process of final disbursement, as at year end, to the successful qualifying applicants listed below:

Applicant	Amount
GJ Hospital Board	R5 500
Schola Amoris	R4 500
Inkanyezi Foundation For Physically Disabled	R4 500
Scottsburg Lifesaving Club	R4 500
Park Rynie Lifesaving Club	R4 500
Khanya Hospice	R11 000
Umdoni Vulamehlo HIV/Aids	R4 500
Amandawe Community Care	R4 500
Shayamoya Senior Citizens' Club	R4 500
Sihle High School Feeding Scheme	R4 500
Ifafa Beach Women's Action Group	R4 500
Ghandinagar Senior Citizens Club	R4 500
Pennington Recreation Club	R4 500
Total	R66 000

Supply Chain Management

Supply Chain Management remains one of the most dynamic and challenging sections within the Finance Department.

During the year under review, significant strides were made towards the review of the Supply Chain Management Policy and the implementation thereof.

In accordance with policy, council has a fully fledged bid committee system and qualifying bids are weighted to ensure preferential points are taken into account.

The Flood Disaster Projects placed additional challenges on the Supply Chain Management systems and structures.

In order to ensure the fairness and effectiveness of our supply chain processes, Provincial Treasury has, at Umdoni's request, conducted a review of our Supply Chain Management processes. This audit was at finalisation stages at year-end.

Supply Chain Management governance

There are three bid committees in place and their functions are briefly as follows:

Bid Specification Committee

Compiles the specifications for the procurement of goods and services by the Municipality.

Number of meetings for the financial year = 11.

Bid Evaluation Committee

Evaluates bids and recommends to the bid adjudication committee regarding the awarding of bids.

Number of meetings for the financial year = 11.

Bid Adjudication Committee

Considers the report and recommendations of the bid evaluation committee and depending on its delegations, makes a final award, or makes further recommendations to the Accounting Officer on how to proceed with relevant procurement of goods and services.

Number of meetings for the financial year = 11.

Bid Specification Committee

- GM Technical Services
- Manager Expenditure
- Manager Legal & Estates
- Representative from Department requesting product/service

Bid Evaluation Committee

- GM Corporate Services
- GM Technical Services
- Assistant Manager SCM
- Project Manager

Bid Adjudication Committee

- GM Financial Services
- Manager Expenditure
- Manager Legal & Estates
- Manager Budget & Compliance

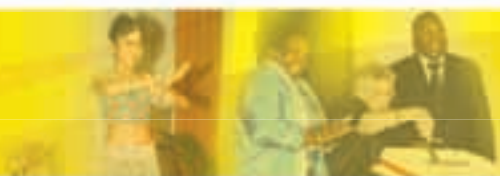
Budget and Compliance Section

Umdoni Municipality has over the past financial year entrenched the role of the budget office. This office now plays a key role in the following financial disciplines:

- reporting to external stakeholders, e.g. National Treasury, Statistics South Africa;
- reporting to internal stakeholders via weekly and monthly variance analysis reports;
- consolidation of final and adjustment municipal budgets;
- monitoring and updating of the asset register.

In addition, a greater emphasis has been placed on interpretation of budget information by implementing narrative explanation reports to all portfolio committees.

A further concerted effort was made in order to ensure that all Umdoni's returns were timeously completed and submitted to National Treasury.



Importantly, the budget regulations were effected during the preparation of the 2010/2011 budget, thereby requiring amendments to the budget preparation process. Most significantly, this required various amendments to increase public consultation and councillor oversight, e.g. The establishment of a specialist budget steering committee.

Implementation of the GAMAP/GRAP accounting standards

The exemptions previously available to all medium capacity municipalities have now been lifted, requiring almost full compliance with GAMAP/GRAP during the period under review. This has resulted in significant changes to year end processes to ensure alignment to the accounting standards.

The largest challenge remains, however, the implementation of GRAP 17, Property Plant and Equipment. A phased-in approach is currently underway, taking advantage of the exemptions available under Directive 4.

Analytical review of financial status (to be completed after the draft AFS has been audited)

- Net surplus
- Year-on-year income growth
- Year-on-year expenditure growth
- Unspent conditional grants and receipts.

List of tenders awarded: 2009/2010

At right is a schedule of tenders awarded during the year of reporting. Tenders that were extended have been excluded from this schedule as the award did not occur during the year of reporting.

Contributions to organised local government

The total contribution paid to Kwanaloga during the financial year amounted to R143 100.

No.	Description	Company name	Tender price
1.	Refuse bags	Esikhaleni Traders	R168 497 p/a
2.	Alternative energy supply	Flammable Green Gel For Africa	R2 050 233 p/a
3.	Scottburgh, Park Rynie beach and Campsite Preston & Rocky Bay	Zinemana Cleaning & Security Services	R482 022 p/a
	Salmon Drive, Komba, Pennington main, Ifafa, Sezela, Mtwalume, Elysium and Bazely	Khulandimande Trading	R901 757 p/a
4.	Pennington	Kadis Contracting	R324 000 p/a
	Bazley and Sezela	Kadis Contracting	R180 000 p/a
	Mtwalume	Cyee Contracting	R192 000 p/a
	Ifafa Beach and Elysium	Nhlo & Mandla Trading Enterprises	R226 800 p/a
	Ifafa Glebe	Uzwelo Landscaping	R120 000 p/a
	Shayamoya and Esperanza	Sesiyeza cc	R106 800 p/a
	Umzinto Heights to St Patricks	Forestry & Milling Equipment	R300 000 p/a
	Umzinto – Asoka Heights to Hazelwood	Bahali Trading	R192 000 p/a
	Ghandinagar and Riverside Park	Chocks Trading & Logistics	R267 600 p/a
	Park Rynie	Threeways Civils Cc	R345 804 p/a
	Freeland Park and Scottburgh	Uzwelo Landscaping	R660 000 p/a
5.	Plot clearing	Bahali Trading	R0.85 per s/m
	Passenger LDV vehicles	Murray & Daddy Auto Centre	R100 + 10% cost structure for spares
6.	Tractors	A & T Auto Electrical	R90 + 20% cost structure for spares
	Trailers	A & T Auto Electrical	R90 + 20% cost structure for spares
	Engine-driven rammers	A & T Auto Electrical	R90 + 20% cost structure for spares
	Concrete mixers	A & T Auto Electrical	R90 + 20% cost structure for spares
	Motor cycles	All Plant Diesel	R90 + 20% cost structure for spares
	Walk-behind rollers	All Plant Diesel	R90 + 20% cost structure for spares
	Generators	All Plant Diesel	R90 + 20% cost structure for spares
	Lawn mowers	All Plant Diesel	R90 + 20% cost structure for spares
	Brush cutters	All Plant Diesel	R90 + 20% cost structure for spares
	Plate compactors	All Plant Diesel	R90 + 20% cost structure for spares
	Specialised tools	All Plant Diesel	R90 + 20% cost structure for spares
7.	10 m truck	Impilo Enterprise	R200 p/h
	Excavator 20 ton	Impilo Enterprise	R312.50 p/h
	4-5 ton flat bed	AS Bux	R125 p/h
	Payloader	AS Bux	R219 p/h
	TLB 4 x 4	AS Bux	R175 p/h
	G5 quality gravel	AS Bux	R12.95 p/h
	Premier attraction 217 cc	6 m truck	R130 p/h
	Premier attraction 217 cc	Water tanker	R145 p/h



Performance Reporting

Consolidated Performance Report

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Office of the Municipal Manager								
Beachfront development	Implementation	30 June 2009		Not achieved	N/A	N/A	N/A	N/A
Umzinto urban renewal	Implementation	30 June		Not achieved	N/A	N/A	N/A	N/A
Beachfront development	% completion	N/A	N/A	N/A	100% for EOI	50%	Partially achieved	N/A
	% completion	N/A	N/A	N/A	N/A	N/A	N/A	100% for EOI
Umzinto CBD renewal	No. of projects undertaken	N/A	N/A	N/A	1		Partially achieved	N/A
	No. of projects undertaken	N/A	N/A	N/A	N/A	N/A	N/A	2
Park Rynie Industrial Park	% completion of the implementation plan	N/A	N/A	N/A	80%	40%	Partially achieved	N/A
	% completion of the implementation plan	N/A	N/A	N/A	N/A	N/A	N/A	80%
Park Rynie Industrial Park expansion	% completion of engagements with landowners	N/A	N/A	N/A	100%	40%	Partially achieved	N/A
MTAS	Overall rating of Municipality from 3-4	N/A	N/A	N/A	N/A	N/A	N/A	4
Shared services	% implementation of development planning shared services	N/A	N/A	N/A	100	100	Achieved	N/A
IDP	Process plan adoption	30 Sept 2009	27 August 2008	Achieved	N/A	N/A	N/A	N/A
	Rep forum meetings held	four by 30 June 2009	17 November 2008; 26 March 2009	Partially achieved	N/A	N/A	N/A	N/A
	Strategic planning session held	2 by 30 June 2009	19-20 February 2009; 12-13 March 2009	Achieved	N/A	N/A	N/A	N/A
	Adoption of 2009-2010 review document	30 June 2009	3 August 2009	Achieved	N/A	N/A	N/A	N/A
	% adoption of the IDP	N/A	N/A	N/A	100%	100%	Achieved	N/A
	Assessment	N/A	N/A	N/A	75%		Not achieved	N/A
	Adoption of process plan	N/A	N/A	N/A	N/A	N/A	N/A	30 Sept 2010
	No. of adverts	N/A	N/A	N/A	N/A	N/A	N/A	3
	No. of meetings held	N/A	N/A	N/A	N/A	N/A	N/A	4
	Date of submission of Draft IDP	N/A	N/A	N/A	N/A	N/A	N/A	31 March 2011
	Date of adoption IDP	N/A	N/A	N/A	N/A	N/A	N/A	30 May 2011
Assessment score	N/A	N/A	N/A	N/A	N/A	N/A	75%	
Strategic planning workshop	No. of strategic planning workshops undertaken	N/A	N/A	N/A	2	2	Achieved	N/A
	No. of strategic planning workshops undertaken	N/A	N/A	N/A	N/A	N/A	N/A	2
Performance agreements	No. of S57 agreements signed	N/A	N/A	N/A	N/A	N/A	N/A	5
PMS	Signing of performance contracts by s57	31 July 2008		Achieved	N/A	N/A	N/A	N/A
	Quarterly review	Four reviews per annum by 31 July 2009		Achieved	N/A	N/A	N/A	N/A
	Performance report submission	Four reports per annum by 31 July 2009		Achieved	N/A	N/A	N/A	N/A
	SDBIP/PMS for 2009/2010	Draft submitted to Mayor	15 June 2009	Achieved	N/A	N/A	N/A	N/A
		Final adopted by 28 days after budget adoption	3 August 2009	Achieved	N/A	N/A	N/A	N/A

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Scorecards (OPMS)	% adoption of PMS	N/A	N/A	N/A	100%	100%	Achieved	N/A
	No. of performance reports prepared	N/A	N/A	N/A	4	4	Achieved	N/A
	Adoption of 2011/2012 scorecards/ OPMS	N/A	N/A	N/A	N/A	N/A	N/A	30 June 2011
SDBIP	% adoption of SDBIP	N/A	N/A	N/A	100%	100%	Achieved	N/A
	Adoption of 2011/2012 SDBIP	N/A	N/A	N/A				28 days after the adoption of budget
Reporting	No. of quarterly reviews undertaken	N/A	N/A	N/A	4	4	Achieved	N/A
	No. of quarterly reviews undertaken	N/A	N/A	N/A	N/A	N/A	N/A	4
Gel	Distribution of gel stoves	1 000 by 30 June 2009	7 April 2009 26 June 2009	Achieved	N/A	N/A	N/A	N/A
	Monthly distribution of gel	5 litres to 3 000 hh		Achieved	N/A	N/A	N/A	N/A
Gel as alternative energy	No. hh to benefit from 10 litres of gel per month	N/A	N/A	N/A	3 000 hh	4 000 hh	Achieved	N/A
	No. of gel stoves distributed	N/A	N/A	N/A	1 000	1 000	Achieved	N/A
	No. of new households with gel stoves	N/A	N/A	N/A	N/A	N/A	N/A	1 000 hh
	No. of hh receiving 7 l of gel per month	N/A	N/A	N/A	N/A	N/A	N/A	5 000 hh per month
Sustainable energies	No. of solar geysers distributed	N/A	N/A	N/A				
Commercialising communal gardens	Identification of one small scale farming group that will be given all necessary support to produce commercially	N/A	N/A	N/A	1			N/A
	No. of communal gardens commercialise	N/A	N/A	N/A	N/A	N/A	N/A	3
Communal gardens	Registration and basic business skills training and computer literacy 14 communal gardens have been registered and trained Agricultural Tractor	30 June 2009	28 February 2009	Achieved	N/A	N/A	N/A	N/A
	Development of business plans	30 June 2009		Achieved	N/A	N/A	N/A	N/A
	No. of meetings conducted with the department of agriculture	N/A	N/A	N/A	10	10	Achieved	N/A
	No. of meetings with agricultural associations	N/A	N/A	N/A	Four meetings per association	10	Achieved	N/A
	Purchasing a cultivator for the agricultural tractor	N/A	N/A	N/A	N/A	N/A	N/A	One cultivator
	Installation of small scale irrigation	N/A	N/A	N/A	N/A	N/A	N/A	Five communal gardens will benefit
	No. of communal gardens assisted	N/A	N/A	N/A	N/A	N/A	N/A	30
One home one garden	Identify the number of households to be assisted in having sustainable gardens	N/A	N/A	N/A	88	88	Achieved	
	No. of hh assisted with food garden	N/A	N/A	N/A	N/A	N/A	N/A	90
Investment policy	% completion adopted policy	N/A	N/A	N/A	100%	0%	Not achieved	
MIG/grant projects	No. of jobs created through MIG	N/A	N/A	N/A	100	317	Achieved	N/A
MIG/grant projects	No. of jobs created through MIG	N/A	N/A	N/A	N/A	N/A	N/A	50
Internal funded projects		N/A	N/A	N/A	N/A	N/A	N/A	25
Commercialisation of rural wards	No. of rural wards with at least one LED project	N/A	N/A	N/A	N/A	N/A	N/A	Six wards
Market stalls	No. of formalised market stalls	N/A	N/A	N/A	N/A	N/A	N/A	30
	No. of informal traders with permits	N/A	N/A	N/A	N/A	N/A	N/A	30
Marketing plan	Adopted plan by Council	30 June 2009	24 April 2008	Achieved				

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Business support unit (stakeholders support – not office bound)	Functional business support unit	N/A	N/A	N/A	N/A	N/A	N/A	Established business support unit by 31 March 2011
Review of LED Plan	Adopted LED Plan	N/A	N/A	N/A	N/A	N/A	N/A	Dec 2010
LED Forum	No of meetings held	N/A	N/A	N/A	N/A	N/A	N/A	Three
Supply chain	Developing SMME database	30 Sept 2009	21 Nov 2008	Achieved	N/A	N/A	N/A	N/A
	Workshops to assist SMMEs on filling tender documents	30 June 2009	30 January 2009	Achieved	N/A	N/A	N/A	N/A
SMME training	No. of SMMEs trained	N/A	N/A	N/A	100 SMMEs	156 SMMEs	Achieved	N/A
	No. of workshops conducted on SMMEs	N/A	N/A	N/A	4			N/A
Contractors training on costing and filling in of tender documents	No. of contractors trained in tendering for government work	N/A	N/A	N/A	50	22	Partially achieved	
Block manufacturing	No. of successfully trained SMMEs	N/A	N/A	N/A	N/A	N/A	N/A	4
Database of the Umdoni Tourism	Adoption of the tourism plan	30 June 2009	19 April 2007	Achieved	N/A	N/A	N/A	N/A
	Completed database	30 June 2009	24 April 2008	Achieved	N/A	N/A	N/A	N/A
Tourism signage	Provision of signage within the Umdoni area	30 June 2009		Not achieved	N/A	N/A	N/A	N/A
Tourist products	Identification of tourist products	30 June 2009	PSC Meetings 27 June 2008 4 September 2008 27 January 2009 Stakeholders workshops 22 August 2008 2 Dec 2008 Presentations by Isibuko seAfrica at the PD&I meeting on 5 February 2009	Not achieved	N/A	N/A	N/A	N/A
Training SMMEs in tourism development	No. of SMMEs trained	N/A	N/A	N/A	20 SMMEs	10 SMMEs	Partially achieved	N/A
Rural tourism nodes	% completion of rural tourism strategy	N/A	N/A	N/A	100%	100%	Achieved	
Development of tourism node	Comprehensive business plan	N/A	N/A	N/A	N/A	N/A	N/A	100% completion
Populating the website	Update tourism information			Partially achieved	N/A	N/A	N/A	N/A
Tourism page on the Umdoni website	% completion of the tourism web page	N/A	N/A	N/A	100%	5%	Not achieved	N/A
Rehabilitation of small scale cane farmers	Comprehensive business plan	N/A	N/A	N/A	N/A	N/A	N/A	100% complete business plan
Co-ordinate conduct an Internal Audit workshop for Councillors and Officials via NT, PT, DLGTA, AG, DISTRICT & IIASA	Conduct Internal Audit Workshop	30 June 2009		Not achieved	N/A	N/A	N/A	N/A
Internship together with a structured training programme in contact with relevant role players	Source funding from DLGTA or NT	31 March 2009		Not achieved	N/A	N/A	N/A	N/A
I.e. NT, PT, DLGTA, AG & IIASA	Recruit interns/technicians/trainees etc.	31 May 2009		Not achieved	N/A	N/A	N/A	N/A
Establish call centre with the aid of DLGTA and corporate services	Source funding from DLGTA	Annual 30 June 2009		Not achieved	N/A	N/A	N/A	N/A
	Strategy to establish the call centre	Annual 30 June 2009	31 May 09	achieved	N/A	N/A	N/A	N/A

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Maintenance of Policy Register	Monitoring of the development of the policies and procedures	Annually	Monthly & annually	Achieved	N/A	N/A	N/A	N/A
	Monitoring the compliance with policies and procedures	Annually	Monthly & annually	Achieved	N/A	N/A	N/A	N/A
Anti-fraud Corruption Strategy	% of implementation	N/A	N/A	N/A	% of strategies	30%	Partially achieved	N/A
	% of implementation	N/A	N/A	N/A	N/A	N/A	N/A	% of strategies
Fraud Prevention Officer		N/A	N/A	N/A	1 x fraud prevention officer	Not achieved	Budgetary constraints	N/A
Formulate the Fraud Prevention Policy	Prepare Fraud Prevention Policy	Annually 31 Aug 2008	30 July 2008	Achieved	N/A	N/A	N/A	N/A
	Adoption of the Fraud Prevention Policy	Annually 31 Aug 2008	30 July 2008	Achieved	N/A	N/A	N/A	N/A
Fraud Prevention Plan	Compliance	N/A	N/A	N/A	% compliance to requirements of plan	35%	Partially achieved & ongoing (straddled reporting)	N/A
	Compliance	N/A	N/A	N/A	N/A	N/A	N/A	% compliance to requirements of plan
Awareness Programme – internally and externally	Results of the awareness programme	N/A	N/A	N/A	% of reported cases of fraud corruption	25%	Partially achieved & ongoing (straddled reporting)	N/A
	Results of the awareness programme	N/A	N/A	N/A	N/A	N/A	N/A	% of reported cases of fraud corruption
Presidential hotline	Compliance	N/A	N/A	N/A	N/A	N/A	N/A	% compliance to requirements of plan
SCOPA (continued training)	No. of members trained	N/A	N/A	N/A	N/A	N/A	N/A	Six members of Committee
SCOPA	No. of meetings	N/A	N/A	N/A	N/A	N/A	N/A	Four meetings p/a
Audit Committee	No. of meetings	N/A	N/A	N/A	N/A	N/A	N/A	Four meetings p/a
Performance Audit Committee	No. of meetings	N/A	N/A	N/A	N/A	N/A	N/A	Two meetings p/a
Audit Steering Committee	No. of meetings	N/A	N/A	N/A	N/A	N/A	N/A	Three meetings p/a
Annual Internal Audit Plan	No. of Internal Audit Projects	N/A	N/A	N/A	% of projects identified from the Risk Register % of projects on Annual Audit Plan completed	80% 9/12	Partially achieved & ongoing (straddled reporting)	N/A
	No. of Internal Audit Projects	N/A	N/A	N/A	N/A	N/A	N/A	% of projects identified from the Risk Register % of projects on Annual Audit Plan completed



Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Assessment of Internal Audit	% Rating per Evaluation Report	N/A	N/A	N/A	N/A	N/A	N/A	Evaluation Report by 30 June 2011
Assessment of Audit Committee and PAC	% Rating per Evaluation Report	N/A	N/A	N/A	N/A	N/A	N/A	Evaluation Report by 30 June 2011
Risk Assessment (RA) & Annual Audit Plan (AAP)	Conduct actual audit & develop Risk Assessment (reviewed) and an Audit Plan 2008/2009 for approval by the Audit Committee and adoption by Council	Annual	Annual	Achieved	N/A	N/A	N/A	N/A
	Roll-out of the approved Annual Audit Plan	Quarterly	Quarterly	Achieved	N/A	N/A	N/A	N/A
	Reporting to the Audit Committee	Quarterly	Quarterly	Achieved	N/A	N/A	N/A	N/A
Risk Management Officer	Appointment per no. of personnel	N/A	N/A	N/A	One risk management officer	-	Not achieved	N/A
Risk Management Committee	Appointment No. of Committee members % of required recruitment	N/A	N/A	N/A	No. of confirmed membership	8	Achieved	N/A
	No. of reports to accounting officer	N/A	N/A	N/A	Four reports to accounting officer			N/A
	No. of meetings	N/A	N/A	N/A	N/A	N/A	N/A	Four meetings p/a
Formulate the Risk Strategy	Prepare Risk Strategy	Annually 31 Aug 2008	30 July 2008	Achieved	N/A	N/A	N/A	N/A
	Adoption of the Risk Strategy	Annually 31 Aug 2008	30 July 2008		N/A	N/A	N/A	N/A
	Establishment of the Risk Management Committee	31 May 2009	30 April 2009	Achieved	N/A	N/A	N/A	N/A
Risk Management Policy & Strategy	% compliance to policy requirements	N/A	N/A	N/A	% of risks mitigated	40%	Partially achieved and ongoing (straddled reporting)	N/A
	% compliance to policy requirements	N/A	N/A	N/A	N/A	N/A	N/A	% of risks mitigated
Risk Management Training	No. of officials trained	N/A	N/A	N/A	% of officials trained	Eight members by 30 June 2010	Partially achieved and ongoing (straddled reporting)	N/A
Monitor and evaluate progressive development of the Policy & Procedure Register	% of no. of policies/procedure developed, reviewed and adopted	N/A	N/A	N/A	N/A	N/A	N/A	75% complete
Compliance with policies and procedures	% compliance with policies & procedures	N/A	N/A	N/A	N/A	N/A	N/A	100% compliance
Monitor and evaluate progressive implementation of Plan of Corrective Measures for Regularity Audit	% of no. of action plans successfully implemented	N/A	N/A	N/A	N/A	N/A	N/A	100% complete by 30 June 2011
Monitor and evaluate progressive implementation of Plan of Corrective Measures for Performance Audit	% of no. of action plans successfully implemented	N/A	N/A	N/A	N/A	N/A	N/A	100% complete by 30 June 2011
Implementation of Audit Process Plan and Timetable	% compliance to timelines	N/A	N/A	N/A	N/A	N/A	N/A	100% compliance
Community Services								
Malangeni Rural Housing Project	Sales and administration of 1 000 beneficiaries	2nd Quarter	2nd Quarter	Achieved	N/A	N/A	N/A	N/A

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Malangeni Rural Housing Project	Commencement of construction	4th quarter	4th quarter	Achieved	N/A	N/A	N/A	N/A
	No. of houses built	N/A	N/A	N/A	400	726 houses were built to date and handed over to beneficiaries	Achieved	N/A
Malangeni Rural Housing	No. of houses built	N/A	N/A	N/A	N/A	N/A	N/A	350
Amahlongwa/Amandawe Rural Housing Project	Prepare submission for DFA approval	2nd quarter	2nd quarter	Achieved	N/A	N/A	N/A	N/A
	Submission for approval 1 000 housing subsidies to DOHS	3rd quarter	2nd quarter	Achieved	N/A	N/A	N/A	N/A
	Appoint implementing agent	3rd quarter	4th quarter	Achieved	N/A	N/A	N/A	N/A
	No. of houses built				180	No houses built	Not achieved	
	No. of houses built	N/A	N/A	N/A	N/A	N/A	N/A	300
Umzinto Slums Clearance/ Farm Isonti Project	Submission of DFA approval	2nd quarter	2009/2010	Not achieved	N/A	N/A	N/A	N/A
	Submission of application for approval of 2 252 housing subsidies to DOHS	3rd quarter	3rd quarter	Achieved	N/A	N/A	N/A	N/A
	No. of houses built	N/A	N/A	N/A	300	No houses built	Not achieved	N/A
Umzinto Slums Clearance	Milestones achieved	N/A	N/A	N/A	N/A	N/A	N/A	All
Temporary housing	No. of families relocated	N/A	N/A	N/A	180	61	Partially achieved	N/A
Ghandinagar	100% policy developed & adopted by Council	N/A	N/A	N/A	100%	Policy developed but not adopted by Council	Achieved	N/A
	No. of houses transferred to individuals	N/A	N/A	N/A	100 transfers			N/A
	No. of houses transferred to individuals	N/A	N/A	N/A	N/A	N/A	N/A	20 transfers
Riverside Park	No. of units transferred	N/A	N/A	N/A	All units transferred	No transfers made	Not achieved	N/A
	Milestones achieved	N/A	N/A	N/A	N/A	N/A	N/A	All
Prepare and adopt an illegal occupancy eradication strategy	Prepare a corrective and prevention strategy of illegal occupancy	2nd quarter	2nd quarter	Achieved	N/A	N/A	N/A	N/A
Appoint a service provider to complete court rolls and receive payment of fines	Prepare a tender document and appoint a service provider	2nd quarter	2nd quarter	Partially achieved	N/A	N/A	N/A	N/A
Obtain baseline information and crime prevention	Obtain local statistics form SAPS	4th quarter	4th quarter	Achieved	N/A	N/A	N/A	N/A
Engage Department of Justice on the process	Hold meetings with local magistrates office	Bi-monthly	Bi-monthly	Achieved	N/A	N/A	N/A	N/A
Project Alive: Safety and Disaster Management Awareness Campaign	Conduct awareness campaigns in all nine wards	Nine wards with 10 people each and maximum one month per training	Five wards with 10 people each were trained for a period one month per ward	Partially achieved	N/A	N/A	N/A	N/A
Project Pride: Fire & Disaster Management Training	Internal trainings	Two training modules on basic fire fighting & accident scene maintenance Targeting three fire fighters and seven volunteers	Two training modules on basic fire fighting & accident scene maintenance were held weekly and all three fire fighters and seven volunteers were trained	Achieved	N/A	N/A	N/A	N/A



Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Fire	No. of satellite fire stations operationalised	N/A	N/A	N/A	2	Parking shelters and offices identified	Achieved	N/A
	No. of workshops conducted for fire Prevention Awareness	N/A	N/A	N/A	4	4	Achieved	N/A
	% of existing staff trained	N/A	N/A	N/A	50%	100% of full time staff	Achieved	N/A
	% completion of business inspections and building plans conducted within seven days of receipt of application	N/A	N/A	N/A	100%	100% of received plans	Achieved	N/A
Fire Fighting	No. of existing staff trained	N/A	N/A	N/A	N/A	N/A	N/A	16
Risk Management Plan	% of successful assessments in the nine wards	N/A	N/A	N/A	100 %	100% (all wards)	Achieved	N/A
Education and promotion of fire drills and awareness	No. of fire drills and awareness in all schools within Umdoni	N/A	N/A	N/A	N/A	N/A	N/A	19 schools
	External trainings	One training for two fire fighters on fire fighter 1 course	Nil	Not achieved	N/A	N/A	N/A	N/A
Present a Learn To Swim Programme at target schools	Prepare a concept and identify schools	1st Quarter	2nd Quarter	Achieved	N/A	N/A	N/A	N/A
	Implementation	3rd Quarter		Not achieved	N/A	N/A	N/A	N/A
Planning implementing five flea markets p/a	Prepare a schedule of flea markets	2nd Quarter	2nd Quarter	Achieved	N/A	N/A	N/A	N/A
Consumer education	No. of workshops	N/A	N/A	N/A	4	Achieved	The Fourth Consumer Education interrupted by community members but staff were at the venue	
	No. of workshops	N/A	N/A	N/A	N/A	N/A	N/A	4
Sports and recreation	Compilation of sports facilities status quo report	Survey conducted in all nine wards	Survey conducted in all nine wards	Achieved	N/A	N/A	N/A	N/A
Sports development sponsorship	No. of sports leagues supported	N/A	N/A	N/A	Volleyball, netball and rugby leagues sponsored			N/A
Umdoni Sports Indaba and launch of Umdoni Sports Council					All sporting codes participating in the sports Indaba and be part of Sports Council	All sporting codes participating in the sports Indaba and be part of Sports Council	Achieved	
Support of sporting leagues and development initiatives	No. of sports associations supported	N/A	N/A	N/A	N/A	N/A	N/A	Two sporting associations supported financially
Programme for people with disabilities	Compilation of status quo report on compliance with EEP	2nd quarter	2nd quarter	Achieved	N/A	N/A	N/A	N/A
	Advocating for compliance with relevant Act accessibility of public facilities	4th quarter	2nd quarter	Achieved	N/A	N/A	N/A	N/A
	Enabling and empowerment of people with disabilities	Ongoing	4th quarter	Partially achieved	N/A	N/A	N/A	N/A

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Mayoral Cup Sports Tournament	Hosting of annual sports tournament	Teams from all nine wards and those competing at LFA & super leagues	Forty teams from all nine wards and those competing at LFA and super leagues participated	Achieved	N/A	N/A	N/A	N/A
Umdoni Mayoral Cup	100% tournament hosted or number of sporting codes?	N/A	N/A	N/A	Soccer (M+F), netball (M+F), cricket, volleyball participating in the tournament	Soccer (M+F), netball (M+F), cricket, volleyball participated in the tournament	Achieved	N/A
	No. of tournaments hosted and number of sporting codes participated	N/A	N/A	N/A	N/A	N/A	N/A	One tournament hosted and four sports codes soccer (M), netball (M+F), cricket, volleyball)
SALGA KZN Games 2009	Participation in SALGA Games with sport codes participating	N/A	N/A	N/A	90% of sport codes representing Umdoni Municipality	95% of sport codes participated and represented Umdoni Municipality	Achieved	N/A
KWANALOGA Games 2010	No. of Councillors participated in KWANALOGA Games	N/A	N/A	N/A	N/A	N/A	N/A	Four Councillors
	No. of sports codes part of preparations & selections for KWANALOGA GAMES	N/A	N/A	N/A	N/A	N/A	N/A	Six sports codes (soccer, netball, volleyball, cricket, athletics, and indigenous games)
	No. of tracksuits and other promotional material bought for the games	N/A	N/A	N/A	N/A	N/A	N/A	Twenty tracksuits, caps, bags, shorts and t-shirts
Youth development	Establishment of fully fledged youth unit and appointment of Youth Development Manager	1st quarter		Not achieved	N/A	N/A	N/A	N/A
	Review of Umdoni SCM policy for inclusion of youth as a priority sector as per adopted Umdoni Youth Development Policy Framework	2nd quarter	3rd quarter	Partially achieved	N/A	N/A	N/A	N/A
Annual Youth Vezikhono Talent Show	No. of annual show successfully hosted	N/A	N/A	N/A	One Youth Vezikhono Talent Show successfully held	One Youth Vezikhono Talent Show successfully hosted	Achieved	N/A
National Youth Service Programme – Proud to Serve Campaign	One five-day Proud to Serve Campaign held	N/A	N/A	N/A	Minimum of 200 youth people recruited in the programme	Proud to serve 2010 soccer world cup campaign Four soccer teams participated	Achieved	N/A
Youth Council Quarterly meetings	No. of quarterly meetings held in a year	N/A	N/A	N/A	Four youth Council meetings	Two youth Council meetings	Partially Achieved	N/A

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Youth Development Summit	Youth Development Summit successfully held	N/A	N/A	N/A	N/A	N/A	N/A	Successful summit held with a minimum of 40 delegates
Beach cleaning and maintenance	100% clean beaches	N/A	N/A	N/A	100% beaches to be cleaned within Umdoni Municipality	100%	Achieved	
Provision of parking facilities in beaches	Income generated from parking fees	N/A	N/A	N/A	N/A	N/A	N/A	R250 000
Seasonal Night Markets	No. of seasonal Night Markets undertaken	N/A	N/A	N/A	3	3	Achieved	N/A
Provision of parking facilities in Park Rynie Campsite	Income generated from parking fees	N/A	N/A	N/A	N/A	N/A	N/A	R400 000
CCTV	Technical Report	N/A	N/A	N/A	Technical Report Completed	Technical Report completed	Achieved	
Traffic Management System	Procure a Traffic Management System	N/A	N/A	N/A	Traffic Management System procured	Not procured	Not achieved	N/A
Additional learners classes	No. of additional classes	N/A	N/A	N/A	N/A	N/A	N/A	3
Scholar Patrol Education	No. of scholar patrol awareness and education	N/A	N/A	N/A	N/A	N/A	N/A	8
Comprehensive audit on the status of current facilities	Compile an asset register for all community facilities	Weekly audit checks on community facilities	Regular audit checks on all facilities after functions	Achieved	N/A	N/A	N/A	N/A
Upgrading of Ghandinager Community Centre	No. of community facilities upgraded	N/A	N/A	N/A	N/A	N/A	N/A	1
Programme for booking of facilities	Electronic booking in place	N/A	N/A	N/A	Operation-alised electronic booking	Booking system procured, installed and operation-alised	Achieved	N/A
Hiring of community facilities	Income generated from hiring of facilities	N/A	N/A	N/A	N/A	N/A	N/A	R300 000
Provision of parking facilities in beaches	Income generated from parking fees	N/A	N/A	N/A	R188 000	R211 703	Achieved	
Provision of parking facilities in Park Rynie Campsite	Income generated from parking fees	N/A	N/A	N/A	R210 000	R331 123	Achieved	
Orphans and Vulnerable Forum Establishment	Launch of OVC Forum	N/A	N/A	N/A	Umdoni OVC Forum launched	OVC Forum not launched	Not achieved	N/A
Dress a School Child Programme	No. of deserving OVCs benefiting from the programme	N/A	N/A	N/A OVCs benefiting with 15% of OVCs in primary schools	150 x children benefitted in 83% of primary schools (15 schools)	Achieved	N/A
	No. of deserving OVCs benefiting from the programme	N/A	N/A	N/A	N/A	N/A	N/A	150 OVCs benefiting (10 of OVCs per targeted primary)

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Umdoni Bursary Fund	No. of deserving matriculants awarded bursaries	N/A	N/A	N/A	Five matriculants awarded bursaries	Thirteen matriculants awarded bursaries	Achieved	
	No. of registration fees bursaries awarded to matriculants	N/A	N/A	N/A	N/A	N/A	N/A	15
Life Skills and Leadership Training Programme	No. of Life skills programmes conducted for youth out of school	N/A	N/A	N/A	N/A	N/A	N/A	Two training programmes conducted
Thusong Centre in Amahlongwa	% completion of securing funding	N/A	N/A	N/A	Source funding approval from Dept. of Co-operative Governance & Traditional Affairs	Negative response received from CoGTA - KZN	Not achieved	N/A
Induction and capacity building	No. of disability forum members trained and inducted	N/A	N/A	N/A	N/A	N/A	N/A	10 disability forum members inducted and trained
Disability programmes and initiatives	No. of proposals/programmes identified	N/A	N/A	N/A	N/A	N/A	N/A	One project/initiative with impact implemented
International Day for the Disabled	Participation and/or hosting the annual celebration	N/A	N/A	N/A	Participation in/ hosting of annual International Day for the Disabled			N/A
	No. of people participated in the annual celebration	N/A	N/A	N/A	N/A	N/A	N/A	120 people with disabilities
Basket Weaving Project	Basket weaving material brought	N/A	N/A	N/A	Basket weaving material bought for? targeted beneficiaries			N/A
'One Home One Garden' Programme	No. of households supported with garden tools & equipment	N/A	N/A	N/A	N/A	N/A	N/A	40 households
Gender Forum capacity building workshop	No. of workshops for Umdoni Gender Forum held	N/A	N/A	N/A	A workshop for Umdoni Gender Forum			N/A
Financial Support to Women Agricultural groups	Women agricultural groups funded	N/A	N/A	N/A	Four agricultural women groups funded	60 women from Ward 2 and 9 funded with farming seeds	Achieved	N/A

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Women's Day Celebration	Participation and/or hosting the annual celebration	N/A	N/A	N/A	At least one celebration hosted or participated in	No event hosted but a group of ladies participated in the provincial event	Achieved	N/A
	Participation and/or hosting the annual celebration	N/A	N/A	N/A	N/A	N/A	N/A	One celebration hosted or participated in
HIV & AIDS Awareness Campaign	Awareness campaigns held	N/A	N/A	N/A	Five campaigns held in five schools	Five campaigns held in five schools	Achieved	
	No. of awareness campaigns held	N/A	N/A	N/A	N/A	N/A	N/A	Three campaigns held in three targeted wards
Branded condom and femidom dispensing containers	No. of condom and femidom dispensers installed in community facilities	N/A	N/A	N/A	50% installation (three community facilities)	Three community facilities and four other facilities	Achieved	N/A
High schools' Life Skills and Sexuality Programme	No. of life skills programmes conducted in high schools	N/A	N/A	N/A	N/A	N/A	N/A	Two programmes conducted per two targeted high schools
Umdoni local AIDS Council	No. of meetings and workshops held	N/A	N/A	N/A	Four Umdoni LAC meetings and one workshop participated in		Not achieved	N/A
	No. of meetings and workshops held	N/A	N/A	N/A	N/A	N/A	N/A	Four Umdoni LAC meetings and one workshop participated in
Wards AIDS Councils HIV & AIDS, TB and STD workshop	Workshops held in all nine wards	N/A	N/A	N/A	100% wards: nine AIDS Councils workshopped	100% wards: nine AIDS Councils workshopped	Not achieved	
Immune boosting protein porridge	No. of 500 g sachets bought	N/A	N/A	N/A	N/A	N/A	N/A	1 000 x 500 g sachets bought
Bus rank	Identity suitable land	3rd quarter	4th quarter	Partially achieved	N/A	N/A	N/A	N/A
Umzinto Bus Rank	Council approval/resolution	N/A	N/A	N/A	Council approval/ resolution	Land identified	Partially achieved	
Umzinto Taxi Rank extension	% completion of the plan	N/A	N/A	N/A	100%	Project transferred to be dealt with by Municipal Managers' Department	-	
Financial Services								

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Implement the asset management plan	Establish current compliance to GAMAP/GRAAP	Annually	Annually	Achieved	N/A	N/A	N/A	N/A
	Develop implementation strategy	Annually	Annually	Achieved	N/A	N/A	N/A	N/A
Implement the asset management plan	Update valuations and componentisation of fixed asset register (review the estimates of useful life and impairment/residual values of assets)	Annually	Annually	Partially achieved	N/A	N/A	N/A	N/A
	% completion adopted plan	N/A	N/A	N/A	100% completed asset maintenance plan	An asset framework has been developed and workshopped and adopted by the June MANCO	Achieved	N/A
	No. of staff workshopped on plan	N/A	N/A	N/A	20 staff workshopped on plan	Staff were workshopped during the budget process and a subsequent management workshop in June	Achieved	N/A
	% of indexing completed	N/A	N/A	N/A	90% completion of indexing of new assets	100% movables 75% immovables	Achieved	N/A
Componentisation of Asset Register	Componentised asset register	N/A	N/A	N/A	Componentised asset register	The immovables have been complete	Partially achieved	N/A
Maintain unqualified Audit Report	Status of Audit Report	N/A	N/A	N/A	Unqualified audit report	Unqualified audit report achieved for the 2008/2009 financial year. A plan of corrective measures have been developed to address weaknesses	Achieved	N/A
Review the credit control & debt collection policy	Review the credit control policy	Annually	Annually	Achieved	N/A	N/A	N/A	N/A
	Achieve debt recovery targets using the credit control policy	Monthly	Monthly	partially Achieved	N/A	N/A	N/A	N/A
Credit control and debt collection policy	% adoption & implementation of policy	N/A	N/A	N/A	100% reviewed, adopted and implemented policy by officials understanding the policy	Policy reviewed, adopted by Council and implemented	Achieved	N/A
	No. of officials workshopped on policy	N/A	N/A	N/A	One workshop of policy to officials and Councillors	Debt recovery sub-committee established and procedures workshopped to officials	Achieved	
Review debt collection and credit control policy	Council resolution adopting amended policy	N/A	N/A	N/A	N/A	N/A	N/A	Reviewed, adopted and implemented policy
Early identification of possible default groups	Monthly monitoring in accordance with dept collection policy	Monthly	Monthly	Partially achieved	N/A	N/A	N/A	N/A

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Strict adherence to revised debt policy	Monthly monitoring in accordance with debt collection policy	Monthly			N/A	N/A	N/A	N/A
Ongoing review and adaptation of the SCM policy to meet out requirements	Review of the SCM policy in conjunction with the LED strategy	Annually	Annually	Achieved	N/A	N/A	N/A	N/A
	Update the SCM policy	Annually	Annually	Partially achieved	N/A	N/A	N/A	N/A
	Implementation of the SCM policy	monthly		Partially achieved	N/A	N/A	N/A	N/A
SCM Policy	100% policy approved	N/A	N/A	N/A	100% adopted, reviewed, and implemented policy and procedures	Revised policy adopted Monthly reports are submitted directly to Council regarding the deviations, awards of tenders and quotations	Achieved	N/A
	No. of officials trained/ understanding policy	N/A	N/A	N/A	25 officials trained on reviewed policy	Policy review formed part of the budget process	Partially achieved	N/A
	No. of vulnerable groups/PDIs workshopped on policy	N/A	N/A	N/A	50 individuals educated on SCM Policy			N/A
Workshopping on SCM policies and procedures	No. of workshops held	N/A	N/A	N/A	N/A	N/A	N/A	Two workshops held for the year
Implementation of automated SCM system	Automated SCM system	N/A	N/A	N/A	N/A	N/A	N/A	Implemented automated SCM system
SCM business processes	MANCO resolution of adoption of service level agreements	N/A	N/A	N/A	Adopted and implemented service level agreements and procedures	The procedures and delegations including timeframes have been adopted by MANCO	Achieved	N/A
Review business process	MANCO resolution adopting process	N/A	N/A	N/A	N/A	N/A	N/A	Reviewed, adopted and implemented policy
Ongoing monitoring and analysis combined with HODs financial education and financial reporting	Dissemination and explanation of performance reports to all HODs	Monthly	Monthly	Achieved	N/A	N/A	N/A	N/A
Study of existing methodologies for customer care and implementation of improvements incorporating best practice guidelines	Conduct a research study of the existing customer care	Annually	Ongoing	Partially achieved	N/A	N/A	N/A	N/A
	Successful implementation of recommendations in the research report	Annually	Ongoing	Partially achieved	N/A	N/A	N/A	N/A
	Monitoring of implementation of the recommendations	Annually	Ongoing	Partially achieved	N/A	N/A	N/A	N/A
Issue of customer care feedback forms	The improvement of the rating of the efficiency of the income section	N/A	N/A	N/A	40 reports			N/A
Investigate the modules within SAMRAS that are not being utilised	Ongoing review of SAMRAS	Ongoing	Ongoing	Achieved	N/A	N/A	N/A	N/A
Investigation of un-utilised SAMRAS modules	No. of assessment reports completed	N/A	N/A	N/A	6			N/A

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Ensure training of staff on approved modules	Training end-users by SAMRAS	Ongoing	Ongoing	Partially achieved	N/A	N/A	N/A	N/A
Ongoing review and amendment of monthly reporting processes and reports Ongoing review of all audit queries and implementation of recommended action	Ongoing alignment of monthly reporting towards year-end reporting	Annually	Ongoing	Partially achieved	N/A	N/A	N/A	N/A
Identification of current areas of improvement and implementation of support mechanisms to maximise revenue	Implementation of the Order to Cash recommendations	Quarterly	Ongoing	Partially achieved	N/A	N/A	N/A	N/A
Discussion and investigation with relevant stakeholders Implementation of new revenue streams in a sustainable manner	Conduct a study of potential sources of revenue streams within Umdoni Municipality		Annually	Partially achieved	N/A	N/A	N/A	N/A
Realistic revenue streams	No. of revenue streams identified and income received in Rands value from each stream	N/A	N/A	N/A	Income streams identified	All revenue streams were reviewed resulting in two new stream being identified and three tariff re-structurings	Achieved	N/A
Hand-over of debtors to attorneys	No. of days between completion of internal processes and handover	N/A	N/A	N/A	Seven working days	All legal processes are now handled in-house up to and including sales in execution, if undefended	Partially achieved	N/A
	No. of debtors handed over	N/A	N/A	N/A	510	1314	Partially achieved	N/A
	Value of debt recovered in Rands	N/A	N/A	N/A	5.5 million	R 18 973 672	Partially achieved	N/A
Handover debt management (internal)	No. of monthly progress report	N/A	N/A	N/A	12 quality reports	Reports are submitted to every sitting of the debt recovery sub-committee	Achieved	N/A
Completion of investigations	Turn-around time of one month	N/A	N/A	N/A	One month			N/A
	Turn-around time	N/A	N/A	N/A	N/A	N/A	N/A	30 days from date of default
Chronological categorisation of debt by recoverability	No. of debtors: implementation of debt category specific procedures	N/A	N/A	N/A	% per category debt recovered	Collection procedures continue to be developed and standardised eg. AODs and collection of rental debt Reports are now reported on collections per category		
	Percentage collection per category	N/A	N/A	N/A	N/A	N/A	N/A	40% collection on old debt and 85-90% on current debt

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Risk management committee meetings	No. of meetings held	N/A	N/A	N/A	N/A	N/A	N/A	Four per year
Compilation of Risk Register	Approved risk register	N/A	N/A	N/A	N/A	N/A	N/A	Approval of risk register
Develop a strategy	Approved strategy	N/A	N/A	N/A	N/A	N/A	N/A	Developed strategy
Implementation of strategy Review policy	Council resolution adopting amended policy	N/A	N/A	N/A	N/A	N/A	N/A	Reviewed, adopted and implemented policy
Budget, cash-flow understanding & accountability	No. of staff & Councillors workshopped	N/A	N/A	N/A	100% management & Councillors workshopped	100% Councillors and management workshopped	Achieved	N/A
Implementing appeals register	No. of successful appeals	N/A	N/A	N/A	N/A	N/A	N/A	Less than 10%
Contract management	100% measurable rating performance management system for contractors developed and implemented	N/A	N/A	N/A	100% reviewed and implemented processes for performance evaluations	A process for payments have been adopted by MANCO in order to avoid a repeat of the AG query which occurred in the prior year Further aspects of contract management is contained within the MBD forms which shall be continuously developed	Partially achieved	N/A
	No. of officials workshopped on the above mentioned system	N/A	N/A	N/A	25 officials workshopped on contract management approach	All HODs workshopped	Partially achieved	N/A
Corporate Services								
Employee training and development	Workplace skills plan concluded	30 June 2009	30 June 2009	Achieved	N/A	N/A	N/A	N/A
	No. of trainings conducted and attendance register	30 Sept 2008 – 30 June 2009	30 Sept – 30 June 2009	Achieved	N/A	N/A	N/A	N/A
ABET	No. of staff trained	N/A	N/A	N/A	20 workers		Not achieved	N/A
Specialist technical training	No. of staff trained	N/A	N/A	N/A	Five artisans	43 staff trained in road patching, kerb laying and construction of v-drains	Achieved	N/A
First Aid	No. of staff obtaining certificate of competence	N/A	N/A	N/A	13 field-based staff	Training is scheduled for 5 July 2010 - 7 July 2010	Achieved	N/A
Learnerships	No. of learners skilled	N/A	N/A	N/A	15 unemployed persons and unemployed graduates	15	Achieved	N/A
LGSETA and NOF accredited course schedule/ training plan (Councillors)	Approved Councillors' training programme	31 August 2008	19-21 August 2008	Achieved	N/A	N/A	N/A	N/A

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Councillor training oversight	No. of Councillors trained	N/A	N/A	N/A	18 Councillors	DLGTA presentation on Councillor oversight and roles and responsibilities (Mr Lionel Pienaar and Mr John Johnsons)	Achieved	N/A
Customer care online surveys	Customer care online surveys – analysis report	30 September 2008	Jan 2009	Achieved	N/A	N/A	N/A	N/A
Switchboard and telephone upgrade and direct inward dialing	PRI interface for switchboard	30 Sept 2008	Sept 2009	Not achieved	N/A	N/A	N/A	N/A
Bulk SMS	Signed contract with either Vodacom or MTN	30 Sept 2008	27 February 2009	Achieved	N/A	N/A	N/A	N/A
Mayoral Imbizo	Council resolution	30 Sept 2008	21-24 Oct 2008	Achieved	N/A	N/A	N/A	N/A
	No. of Mayoral Izimbizo held	N/A	N/A	N/A	N/A	N/A	N/A	Four Mayoral Izimbizo
	No. of Mayoral Izimbizo held No. of matters raised and issues attended to and resolved	N/A	N/A	N/A	Four Mayoral Izimbizo	4	Achieved	N/A
IDP Budget Roadshows	Council resolution Notes of meeting	April 2009	14-16 April 2009	N/A	N/A	N/A	N/A	N/A
	No. of Roadshows held No. of matters raised and issues attended resolved	N/A	N/A	N/A	Four Roadshows	4	Achieved	N/A
	No. of roadshows held	N/A	N/A	N/A	N/A	N/A	N/A	Four IDP Roadshows
Media briefings on SDBIP	No. of media briefings held	N/A	N/A	N/A	Four media briefings: one per quarter		Partially achieved	N/A
Frequent news articles on Council plans	Newsletters and published	30 Sept 2008	various	Partially achieved	N/A	N/A	N/A	N/A
Press articles	No. of press articles released	N/A	N/A	N/A	Minimum 48 press articles per annum			N/A
	No. of press articles released	N/A	N/A	N/A	N/A	N/A	N/A	Minimum 48 press articles per annum
Council newsletter	No. of newsletters produced	N/A	N/A	N/A	Four quarterly newsletters		Not achieved	
	No. of newsletters produced	N/A	N/A	N/A	N/A	N/A	N/A	Four quarterly newsletters
Effective administration of ward Councils	Appointment of Ward Committee Secretariat and appointment of Ward Committees	31 Dec 2008	31 Dec 2008	Achieved	N/A	N/A	N/A	N/A
Effectively functioning Ward Councils	No. of secretaries trained	N/A	N/A	N/A	Five ward committee secretaries trained	Nine ward committee secretaries trained	Achieved	N/A
	% of items actioned by HODs from Ward Committees	N/A	N/A	N/A	100% auctioning of relevant items by HODs	Approx. 70% matters raised were addressed to committees by relevant HODs and about 30% matters were referred to other sector departments	Achieved	N/A

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Effectively functioning Ward Councils	No. of Ward Committees receiving training	N/A	N/A	N/A	N/A	N/A	N/A	10
	% of items processed by HODs from Ward Committee minutes	N/A	N/A	N/A	N/A	N/A	N/A	100%
	No. of community meetings convened per Ward Committees	N/A	N/A	N/A	N/A	N/A	N/A	2
	No. of Ward Committee meetings held	N/A	N/A	N/A	N/A	N/A	N/A	40
Integration of public participation through ward committees	No. of PP interventions in rural areas	N/A	N/A	N/A	Three PP interventions in rural areas per department	3	Achieved	N/A
Monitor scheduled ward committee meetings	No. of meetings held	N/A	N/A	N/A	Four meetings held by each ward committee	Four ward committees have complied fully	Partially achieved	N/A
HR Manager	No. of HR Manager recruited, inducted & working	N/A	N/A	N/A	One HR Manager	One HR Manager	Achieved	N/A
Annual review of existing policies	No. of policies reviewed	N/A	N/A	N/A	Five reviewed HR policies	Four policies	Partially achieved	N/A
New HR policies	No. of policies developed	N/A	N/A	N/A	A total of 10 new policies by end March 2010	Three new policies	Partially achieved	N/A
HR strategy	Date of adoption of HR Strategy Workshop of staff on HR Strategy	N/A	N/A	N/A	N/A	N/A	N/A	February 2011
HR policies	No. of policies compiled/ reviewed and adopted	N/A	N/A	N/A	N/A	N/A	N/A	Four new policies Four reviews
Recruitment of SDF	No. of SDF recruited, inducted and working	N/A	N/A	N/A	One SDF recruited			N/A
Training	No. of staff trained in specialist technical training	N/A	N/A	N/A	N/A	N/A	N/A	40 staff trained
	No. of staff trained for First Aid	N/A	N/A	N/A	N/A	N/A	N/A	10
	No. of Councillors trained on oversight	N/A	N/A	N/A	N/A	N/A	N/A	19
	No. of trainees/interns capacitated	N/A	N/A	N/A	N/A	N/A	N/A	5
	No. of managers trained on disciplinary hearings	N/A	N/A	N/A	N/A	N/A	N/A	12
Online enquiry for rates	100% purchase of software	N/A	N/A	N/A	N/A	N/A	N/A	Purchase of software
Service delivery improvement	No. of departmental reports on service delivery	N/A	N/A	N/A	One report per department		Partially achieved	N/A
	Action plan	N/A	N/A	N/A	One action plan report	1 Action plan report	Achieved	N/A
	Reports on MSDC – Action Plan	N/A	N/A	N/A	Monthly progress reports	Monthly progress reports	Achieved	N/A
Switchboard and telephonic systems	% reduction of traffic on switchboard	N/A	N/A	N/A	50% reduction of traffic on switchboard by July 2009		Achieved	N/A
Develop an electronic document and complaints management system	% of saving on paper and stationery No. of feedback reports – track and trace	N/A	N/A	N/A	30% reduction in paper trail June 2011	Target is due in June 2011	Partially achieved	N/A
Engagement with SITA	No. of reports and action plan	N/A	N/A	N/A	One assessment report		Partially achieved	N/A

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
IT procedure manual (job cards)	% of job card logs attended to	N/A	N/A	N/A	80%		Achieved	N/A
IT infrastructure & equipment	No. of servers procured cabling/wireless connections	N/A	N/A	N/A	N/A	N/A	N/A	One server 100% linkage/ communication
Hit counter	No. of users who log onto the site	N/A	N/A	N/A	1 500 hits	7 644 users have logged onto site	Achieved	N/A
Customer care online feedback forms	No. of forms that are completed	N/A	N/A	N/A	50 feedback forms received	Over 180 feedback forms received	Achieved	N/A
Online enquiries for rates	% completed feasibility study No. of ratepayers who are able to enquire about their accounts online	N/A	N/A	N/A	100% completed	100% assessment feasibility study undertaken	Achieved	N/A
Website redesign			Website live in Jan 2009, launched: 24 March 2009	Achieved				
Website management	Fully compliant with legislated requirements	N/A	N/A	N/A	N/A	N/A	N/A	100% compliance
Maintenance of contracts/ leases registers	No. of contracts listed/registered	N/A	N/A	N/A	100 % of compliance with the listing of contracts	63 leases 185 agreements 100% compliance achieved	Achieved	N/A
	No. of contracts listed/registered	N/A	N/A	N/A	N/A	N/A	N/A	100% of compliance with the listing of contracts
Staff trainings/workshops	No. of staff workshopped	N/A	N/A	N/A	30 staff work-shopped	11 staff trained	Partially achieved	N/A
Dissemination of the Registry Manual departmentally	No. of registry manuals disseminated	N/A	N/A	N/A	50 registry manuals disseminated		Partially achieved	N/A
Technical inspections of the properties	No. of properties Inspected	N/A	N/A	N/A	Technical reports for 20 properties	23 properties inspected & evaluated	Achieved	N/A
Valuation of property	No. of Valuation Certificate	N/A	N/A	N/A	Valuations of 20 properties	20 valuations were completed	Achieved	N/A
Tender process	No. of tenders awarded	N/A	N/A	N/A	20 properties advertised and 12 properties awarded		Partially achieved	N/A
Delegations of authority between Council and administration	% compliance with the updated register	N/A	N/A	N/A	N/A	N/A	N/A	100% compliance
Appointment of a registry specialist on contractual basis	% of improvement on efficiency	N/A	N/A	N/A	N/A	N/A	N/A	50% improvement in efficiency
Fuel management controls	% compliance with fuel management schedule	N/A	N/A	N/A	N/A	N/A	N/A	100% compliance with the schedule

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Maintenance and roll out of fleet management software	Installation of software	N/A	N/A	N/A	FM software installed		Not achieved	N/A
	No. of users trained	N/A	N/A	N/A	...users trained		Not achieved	N/A
Monitoring, implementation of FMP	% level of compliance No. of policy contraventions dealt with through the FMC	N/A	N/A	N/A	55% compliance No. of contraventions dealt with		Partially achieved	N/A
Fleet Management Committee	No. of monthly meetings held and reports submitted to Manco	N/A	N/A	N/A	8	Six FMC	Partially achieved	N/A
Effective functioning of fleet monitoring committee	One meeting per month	N/A	N/A	N/A	N/A	N/A	N/A	Eight sets of minutes
Branding of vehicles	% fleet branded	N/A	N/A	N/A	N/A	N/A	N/A	50% vehicles branded
Training	No. of staff trained	N/A	N/A	N/A	2			N/A
Tabling of Annual Report	Tabling of the Annual Report in January 2010	N/A	N/A	N/A	Tabling of the Annual Report in January 2010	Annual Report adopted at Council meeting – Wednesday, 24 February 2010 Annual Report distributed to all Councillors and other stakeholders	Achieved	N/A
Adoption of the Annual Report	Adoption of the Annual Report in April 2010	N/A	N/A	N/A	Adoption of the Annual Report in April 2010			N/A
Annual Report	% compliance with applicable framework	N/A	N/A	N/A	N/A	N/A	N/A	100% compliance
Community outreach programmes	No. of community outreach programmes held Statistics on people assisted by different stakeholders involved				12 community outreach programmes			
Community outreach programmes (Customer Care Van)	No. of community outreach programmes	N/A	N/A	N/A	N/A	N/A	N/A	12 community outreach programmes
Substance/alcohol abuse counselling HIV & AIDS counselling	No. of cases of support received	N/A	N/A	N/A	100% support facilitated 100% support facilitated		Partially achieved	N/A
Domestic violence counselling	No. of cases of support received	N/A	N/A	N/A	100% support facilitated		Partially achieved	N/A
Management brainstorm session		N/A	N/A	N/A	100% completion of discussion document		Achieved	N/A
Roles and responsibilities	No. of workshops on roles and responsibilities	N/A	N/A	N/A	One workshop	Workshop held and full discussion of document undertaken	Achieved	

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Technical Services								
Audit of Umdoni landfill site operations	Weekly site inspections conducted	Weekly	Weekly	Achieved	N/A	N/A	N/A	N/A
	Notices served on a quarterly basis for non-compliance and penalties implemented for non-conforming activities	Quarterly	Quarterly	Achieved	N/A	N/A	N/A	N/A
Tariff of charges for landfill site	Tariff of charges implemented	30 June 2009	30 June 2009	Achieved	N/A	N/A	N/A	N/A
	Implemented and fully functional leachate disposal system	30 June 2009	21 April 2009	Achieved	N/A	N/A	N/A	N/A
Determine remaining airspace at landfill site	Remaining airspace determined	30 June 2009	28 February	Achieved	N/A	N/A	N/A	N/A
Appointment of new service provider for Umdoni landfill site and ensure compliance	Appointment of new contractor % compliance with audit	N/A	N/A	N/A	80% compliance by 1 April 2010	100%	Achieved	N/A
Landfill audit	Date of completion of audit	N/A	N/A	N/A	N/A	N/A	N/A	30 March 2011
Increased public awareness on waste management	Hold two workshops	31 March 2009	One in July 2008 and one in August 2008	Achieved	N/A	N/A	N/A	N/A
	Information brochures distributed on three separate occasions	Three occasions by 30 June 2009	Three occasions by 4 September 2008	Achieved	N/A	N/A	N/A	N/A
Appoint environmental assistant	Environmental assistant appointed	30 June 2009	1 June 2009	Achieved	N/A	N/A	N/A	N/A
Recycling programme	Establishment of used oil collection point at the landfill site	31 March 2009	27 August 2008	Achieved	N/A	N/A	N/A	N/A
	Establishment of one recycling collection point (igloo) at scottburgh and one in Park Rynie	One point at Scottburgh and in Park Rynie by 31 March 2009	One point at Scottburgh and in Park Rynie by 10 February 2009	Achieved	N/A	N/A	N/A	N/A
Street cleaning shift programme to clean streets during off-peak periods	Programme implemented	30 September 2008	7 July 2008	Achieved	N/A	N/A	N/A	N/A
Create parks and improve public open spaces and nature reserves	Established and implemented programme	30 June 2009	30 June 2009	Achieved	N/A	N/A	N/A	N/A
Staff training for staff in parks and gardens, building maintenance, roads and workshop	Staff attend ABET training courses as arranged by HR	30 June 2009	30 June 2009	Achieved	N/A	N/A	N/A	N/A
Service agreement to bill UGU District Municipality for roads being maintained on their behalf	Signed and implemented service agreement	31 March 2009	25 February 2009	Partially achieved	N/A	N/A	N/A	N/A
Seasonal grass cutting programme	100% established and implemented programme	30 September 2008	7 July 2008	Achieved	N/A	N/A	N/A	N/A
Maintenance programme to remove old, alien and decaying trees	100% established and implemented programme	30 September 2008	1 August 2008	Achieved	N/A	N/A	N/A	N/A
Establish and implement tree planting programme	100% established and implemented programme	30 September 2008	4 September 2008	Achieved	N/A	N/A	N/A	N/A
Preston public park established at the current roads depot site in Park Rynie (relocate roads depot by July 2010)	Depot relocated and earthworks completed	N/A	N/A	N/A	Relocate roads depot and complete earthworks for the park by July 2010	Soil has been imported for earthworks	Partially achieved	N/A

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Indigenous tree planting	200 trees planted	N/A	N/A	N/A	Plant 200 trees by June 2010	700 trees planted	Achieved	N/A
Establish children's playground at park (jungle gyms)	One playground established	N/A	N/A	N/A	One playground established by July 2010	Old Lotus Park library demolished Paving complete Jungle gym to follow	Partially achieved	N/A
Scheduled maintenance of Council properties	100% established and implemented programme	30 September 2008	15 July 2008	Achieved	N/A	N/A	N/A	N/A
Renovate Council-owned buildings	% Buildings renovated as per approved plan	N/A	N/A	N/A	100% completed by July 2010	100%	Achieved	N/A
Bush clearing, cutting and maintenance of vacant Municipal owned properties	Square metres completed	N/A	N/A	N/A	100 000 m ² by July 2010	125 000 m ²	Achieved	N/A
Construction of new office block	Completed office block	30 June 2009	30 June 2009	Partially achieved	N/A	N/A	N/A	N/A
Establishment of new technical services office block	% office block established	N/A	N/A	N/A	100% established by July 2010	Construction commenced Contractor has completed roof on storage facility Office Block – first floor slab cast and brickwork has commenced on first floor	Achieved	N/A
Enforcement of the National Building Regulations and Buildings Standards Act; Town Planning Ordinance; scheme clauses & by-laws	Programme established	31 December 2008	30 July 2008		N/A	N/A	N/A	N/A
Staff training for Building and Town Planning and Environmental Sections	For internal workshops held by 30 June 2009 External training courses attended where available	Four internal workshops by 30 June 2009	Four internal workshops were held: in July, September, November and January Attended workshops by SAGGA, DWAF, DEAT, UGU, Hibiscus Coast, eThekweni and Institute of Waste Management	Achieved	N/A	N/A	N/A	N/A
Training and appointment of building inspectors to become peace officers	Building Inspectors appointed as peace officers	31 December 2008	30 June 2009	Partially achieved	N/A	N/A	N/A	N/A
Training and appointment of building inspectors to become peace officers	No. of building inspectors trained	N/A	N/A	N/A	Two building inspectors trained	Not done in this quarter	Not achieved	N/A
Improve communication regarding building control inspections by updating the web with results from PD&I meetings	No. of reports	N/A	N/A	N/A	12	12	Achieved	N/A

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Workshops to educate role players in the building sector	No. of workshops held	N/A	N/A	N/A	2	50% town planning and building control leaflet completed	Partially achieved	N/A
Increased rate of plans approval	Plans examiner appointed	30 June 2009	1 June 2009	Achieved	N/A	N/A	N/A	N/A
	Checklist for plans approval implemented	30 September 2008	11 July 2009	Achieved	N/A	N/A	N/A	N/A
	Workshop held for draughtsmen and architects on requirements for plans	Two workshops held by 30 June 2009	Two workshops held in August 2008 and September 2008	Achieved	N/A	N/A	N/A	N/A
Promulgate stricter by-laws for plot clearing	By-laws promulgated and implemented	31 December 2008	30 June 2009	Partially achieved	N/A	N/A	N/A	N/A
Have one consolidated Town Planning Scheme	Town Planning scheme consolidated and adopted by Council	31 March 2009	February 2009		N/A	N/A	N/A	N/A
Revision of scheme maps	No. of revised scheme maps	N/A	N/A	N/A	5	100% completed	Achieved	N/A
Street numbering	No. of suburbs	N/A	N/A	N/A	1	100% completed	Achieved	N/A
Street naming	No. of streets	N/A	N/A	N/A	5	100%	Achieved	N/A
Appoint town planner and assistant town planner	Town planner and assistant town planner appointed	30 June 2009	30 June 2009	Partially achieved	N/A	N/A	N/A	N/A
Ensure that all applications are circulated to relevant departments for comments	Developed and implemented checklist for town planning submissions	30 September 2008	15 September 2008	Achieved	N/A	N/A	N/A	N/A
	One workshop held to train draughtsmen and architects	30 November 2008	Two workshops held – in September and one in August	Achieved	N/A	N/A	N/A	N/A
Improve communication regarding Town Planning Applications by updating the web with results from PD&I meetings	No. of reports	N/A	N/A	N/A	12	100%	Achieved	N/A
Formulation and adoption of new policies	One new policy by July 2010	N/A	N/A	N/A	% completion	100%	Achieved	N/A
Town planning educational workshops	No. of workshops	N/A	N/A	N/A	2	50% completed	Partially achieved	N/A
Identify and rezone commercial and industrial sites	Commercial and industrial sites identified and rezoned	30 June 2009	30 June 2009	Partially achieved	N/A	N/A	N/A	N/A
Scheduled inspections to be conducted on a regular basis	Developed and implemented schedule of inspections	31 March 2009	31 January 2009	Achieved	N/A	N/A	N/A	N/A
Routine inspections	No. of routine inspections conducted	N/A	N/A	N/A	1000	1000	Achieved	N/A
Develop town planning inspection plans for each ward	No. of plans	N/A	N/A	N/A	12	100% completed	Achieved	N/A
Greening initiative	No. of trees planted	N/A	N/A	N/A	N/A	N/A	N/A	Plant 500 trees in Umdoni
Environmental education programme for schools	No. of workshops held	N/A	N/A	N/A	12 workshops held	12 schools and four workshops	Achieved	N/A

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Re-establish Environmental Forum	No. of meetings	N/A	N/A	N/A	4	Three (one meeting cancelled due to municipal strike)	Partially achieved	N/A
Improve communication regarding environmental department activities by updating the web with reports from PD&I meetings	No. of reports	N/A	N/A	N/A	12	12	Achieved	N/A
Clearing of privately owned overgrown properties	% compliance with notices issued to owners	N/A	N/A	N/A	100% compliance by July 2010	100% (all notices sent to owners result in the property being cleared either by the owner or by the Municipality)	Achieved	N/A
Environmental education	No. of schools work shopped	N/A	N/A	N/A	N/A	N/A	N/A	5
Strategic environmental assessment	Date of completion	N/A	N/A	N/A	N/A	N/A	N/A	30 June 2011
Alien vegetation eradication	Extent of area cleared of alien vegetation	N/A	N/A	N/A	100 000 m ²	120 000 m ²	Achieved	N/A
Alien invasive control	hectare	N/A	N/A	N/A	N/A	N/A	N/A	23
Wheelie bins distribution	No. of business supplied with wheelie bins	N/A	N/A	N/A	N/A	N/A	N/A	300
Rural refuse collection services extended to some rural areas	No. of skips placed in rural areas as identified by Council	N/A	N/A	N/A	Place six skips in rural areas as identified by Council by March 2010	Six (skips placed in Amandawe, Amahlongwa and Malangeni Bins placed at all rural bus stops Weekly door to door refuse collection at Ifafa Glebe/ Malangeni)	Achieved	N/A
Skips in rural areas	No. of skips placed in rural areas	N/A	N/A	N/A	N/A	N/A	N/A	9
Recycling igloos	No. of skips placed in rural areas as identified by Council	N/A	N/A	N/A	Place six skips in rural areas as identified by Council by March 2010			N/A
Refuse compactor	Date of delivery of refuse compactor	N/A	N/A	N/A	N/A	N/A	N/A	15 March 2011
Clearing illegal dumping sites	No. of sites cleared	N/A	N/A	N/A	Four sites cleared	7 (Illegal dumping sites cleared in Ifafa, Amandawe and Umzinto, Mtwalume, Park Rynie, Freeland Park, Pennington)	Achieved	N/A
Establish street cleaning co-ops together with LED	No. of co-ops	N/A	N/A	N/A	2	0	Partially achieved	N/A
Waste guidelines for building applications	No. of approved building applications with waste guidelines	N/A	N/A	N/A	N/A	N/A	N/A	20

Programme	Indicator	2008/2009 Target			2009/2010 Target			2010/2011 Target
		Projected	Actual	Achieved/ not achieved	Projected	Actual	Achieved/ not achieved	Projected
Conduct an investigation into the conversion of waste to energy	% completion of investigation	N/A	N/A	N/A	30% completion by July 2010	50% (Council approved in principle the project by EGNACORP)	Achieved	N/A
Rural electrification	No. of households electrified	N/A	N/A	N/A	N/A	N/A	N/A	630
Maintenance of storm water drains	m				2 000 m			
Installation of storm water facilities	Kilometre of drains laid	N/A	N/A	N/A	N/A	N/A	N/A	10
Survey of all roads that require repairs	100% completed survey	30 June 2009	30 June 2009	Partially achieved	N/A	N/A	N/A	N/A
Spraying to eradicate grass creeping onto affected roads	100% affected roads sprayed	30 June 2009	30 June 2009	Partially achieved	N/A	N/A	N/A	N/A
Cut rural gravel roads	kms	N/A	N/A	N/A	40 km	100%	Over achieved	N/A
New access roads from track to gravel	kms	N/A	N/A	N/A	20 km	100%	Achieved	N/A
Resealing of urban roads	kms	N/A	N/A	N/A	2 km	Dealt with under disaster	N/A	N/A
Maintain urban gravel roads	kms	N/A	N/A	N/A	1 km	100%	Achieved	N/A
Repair potholes	m ²	N/A	N/A	N/A	2 500 m ²	100%	Achieved	N/A
Existing gravel rural roads maintained	Kilometre of roads maintained	N/A	N/A	N/A	N/A	N/A	N/A	50
Existing tarred roads maintained	Kilometre of roads maintained	N/A	N/A	N/A	N/A	N/A	N/A	3
Construction of new gravel rural roads	Kilometre of roads constructed	N/A	N/A	N/A	N/A	N/A	N/A	3
Repairs to stone kerbing and channels	m	N/A	N/A	N/A	1 000 m	100%	Achieved	N/A
Pavement repairs	m	N/A	N/A	N/A	300 m	100%	Over achieved	N/A
Construction of ramps for the disabled	No. of ramps	N/A	N/A	N/A	8	100%	Over achieved	N/A



Performance Review Report

Background

Chapter 6 of the Municipal Systems Act (Act 32 of 2000) states that:

S38. A municipality must:

- a) establish a performance management system that is
 - (i) commensurate with its resources;
 - (ii) best suited to its circumstances;
 - (iii) in line with the priorities, objectives, indicators and targets contained in its integrated development plan;
- b) promote a culture of performance management among its political structures, political office bearers and Councillors and in its administration;
- c) administer its affairs in an economical, effective, efficient and accountable manner.

S40. A municipality must establish mechanisms to monitor and review its performance management system.

After the 2008/2009 financial year, the municipality embarked on conducting the reviews at the various portfolio committees, however, the bi-annual review and the annual review were still to be done in the presence of all Councillors and HODs. As usual, the Municipality held its comprehensive annual review for the 2009/2010 financial year on 29-30 July 2010 at the House of the Rising Sun in Park Rynie.

In her opening address, the honorable Mayor of Umdoni Municipality Cllr N Gumede, clearly stated that this was an opportunity for Councillors to raise issues and priorities that need to be attended to and for management to accept comments in the spirit to better the functioning of the Municipality and to promote service delivery.

What was clear in sessions was that Councillors need to have a mind-shift and constantly look at things that will make a difference in people's lives. Below is a summary of what was contained in the discussions per department:

Technical Services

The following were among the issues discussed at the meeting:

- Illegal dumping
- Review of legal process for compliance (notices of contravention)
- Shortage of staff – policy
- Street naming and the forwarding of the names to the department
- Blacktop of Umzinto roads
- Considering combining the cleaning of the Park Rynie Park with that of the Park Rynie Beach Cleaning
- Maintenance of Municipal buildings – consider making the unit permanent with the department to look at all the maintenance issues in all Municipal buildings, including the halls in the rural areas
- Disaster projects – undertaken during 2009/2010:
 - A full report must be sent through to Council/steering committee for the month of August, thereafter a quarterly report must be done.
- Clean environment
- Drain maintenance plan
- The Municipality is aware of the problem areas within the department, namely the ones always receiving public attention or complaints and therefore needs to have plans to deal with such problems. These include:
 - Pot holes
 - Verge
 - Vacant plots

- Storm water
- Refuse removal
- Communication.

Key performance areas (KPAs): Basic service delivery

Key objective: Waste management									
Programme	Key performance indicator	Unit of measure	Projected target	Actual	Means of verification	Fully/partially/not achieved	Actual date	Reason for deviation	Action plan corrective measures
Waste management	Appointment of new service provider for Umdoni landfill site and ensure compliance	Appointment of new contractor % compliance with audit	80% compliance by 1 April 2010	100%	Appointment letter Minutes of meetings held and correspondence regarding compliance issues	Achieved	Appointed Aug 2009		
	Rural refuse collection services extended to some rural areas	No. of skips placed in rural areas as identified by Council	Place six skips in rural areas as identified by Council by March 2010	Six (skips placed in Amandawe, Amahlongwa and Malangeni Bins placed at all rural bus stops Weekly door to door refuse collection at Ifafa Glebe/ Malangeni)	Photographs	Achieved	November 2009		
	Recycling igloos	No. of igloos	Placement of four igloos by June 2010	Four (Igloos placed in Scottburgh, Park Rynie and Pennington and at the landfill site)	Photographs	Achieved	Oct 2009		
	Clearing illegal dumping sites	No. of sites cleared	Four sites cleared	Seven (illegal dumping sites cleared in Ifafa, Amandawe and Umzinto, Mtwalume, Park Rynie, Freeland Park, Pennington)					
	Notices and photographs	Achieved	Dec 2009						
Waste management	Conduct an investigation into the conversion of waste to energy	% completion of investigation	30% completion by July 2010	50% (Council approved in principle the project by MEGNACORP)	Report	Achieved	Dec 2009		
	Establish street cleaning co-ops together with LED	No. of co-ops	1	0	Appointment letter	Partially achieved	Dec 2009	LED now responsible for establishment of co-ops	



Programme	Key performance indicator	Unit of measure	Projected target	Actual	Means of verification	Fully/partially/not achieved	Actual date	Reason for deviation	Action plan corrective measures
Key objective: Environmental management									
Environmental management	Alien vegetation eradication	Extent of area cleared of alien vegetation	100 000 m²	120 000 m²	Photographs/reports	Achieved	Dec 2009		
	Environmental education programmes and delivery of materials to schools	No. of schools visited	12 schools visited and two workshops held	12 schools and four workshops	Reports and photos	Achieved	Sep 2009		
	Formulation and adoption of new policies	One new policy by July 2010	100% completion	100% (policy on waste management guidelines for building applications approved by Council)	Policy in progress	Achieved	Dec 2009		
	Re-establish Environmental Forum	No. of meetings	4	Three (one meeting cancelled due to municipal strike)	Minutes	Partially achieved		Next meeting scheduled for 29 July 2010	
	Improve communication regarding environmental department activities by updating the web with reports from PD&I meetings	No. of reports	12	12	Website	Achieved	Dec 2009		
	Clearing of privately owned overgrown properties	% compliance with notices issued to owners	100% compliance by July 2010	100% (all notices sent to owners result in the property being cleared either by the owner or by the municipality)	Notices and lists of properties cleared	Achieved	Dec 2009		
Key objective: Building Control									
Building control	Establishment of new technical services office block	% establishment by July 2010	100% established by July 2010	Construction commenced Contractor has completed roof on storage facility Office block – first floor slab cast and brickwork has commenced on first floor	Existence of building	Achieved	June 2010		
	Training of building inspectors as peace officers	No. of building inspectors trained	Two building inspectors trained	Not done in this quarter	Correspondence from HR	Not achieved	N/A	Due to staffing challenges this will be carried forward to the next quarter 22 students are required for this training to commence	
	Workshops to educate role players in the building sector	No. of workshops held	2	50% town planning and building control leaflet completed	Manual/attendance registers	Partially achieved	June 10		
	Updating the web with results from PD&I meetings	No. of reports submitted	12 reports submitted	12	Website	Achieved	June 10		
	Routine inspections	No. of inspections	1 000	1 000	Reports	Achieved	June 10		
	Formulation and adoption of new policies	% completion of one new policy	100% completed policy	Identified all relevant policies		Partially achieved	N/A	Due to staffing challenges	

Programme	Key performance indicator	Unit of measure	Projected target	Actual	Means of verification	Fully/ partially/ not achieved	Actual date	Reason for deviation	Action plan corrective measures
Key objective: Town Planning									
Town planning	Town planning educational workshops	No. of workshops	2	50% completed	Workshop manual/ attendance registers	Partially achieved		The town planning ordinance has been repealed and officials are in the process of familiarising themselves with the new Planning and Development Act	
	Develop town planning inspection plans for each ward	No. of plans	12	100% completed	Inspection plans	Achieved			
	Revision of scheme maps	No. of revised scheme maps annually	5	100% completed	Revised scheme maps	Achieved			
	Street numbering	No. of suburbs	1	100% completed	Maps available	Achieved			
	Street naming	No. of streets	5	100%	Council resolutions	Achieved			
	Improve communication regarding Town planning applications by updating the web with results from PD&I meetings	No. of reports	12	100%	Website	Achieved			
	Formulation and adoption of one new policy	% completion of one new policy	100% completion by end of the year	100%	Policy in progress	Achieved			
Key objective: Roads, Pavements and Storm water									
Roads, pavements and storm-water	Establish roads audit and implement maintenance plan	% audit report established and maintenance plan implemented	100% completed by July 2010	100%	Summary of asset register The roads audit is with Haroon from Finance Section	Achieved			
	Cut rural gravel roads								
	km	40 km	100%	Reports to PD&I and photographs	Over achieved				
	New access roads from track to gravel	km	20 km	100%	Reports to PD&I and photographs	Achieved			
	Resealing of urban roads	km	2 km	Dealt with under Disaster	Reports to PD&I and photographs	N/A			
	Maintain urban gravel roads	km	1 km	100%	Reports to PD&I and photographs	Achieved			
	Repair potholes	m ²	2 500 m ²	100%	Reports to PD&I and photographs	Achieved			
	Maintenance of storm water drains	m	2 000 m	100%	Reports to PD&I and photographs	Achieved			
	Repairs to stone kerbing and channels	m	1 000 m	100%	Reports to PD&I and photographs	Achieved			
	Pavement repairs	m	400 m	100%	Reports to PD&I and photographs	Achieved			

Programme	Key performance indicator	Unit of measure	Projected target	Actual	Means of verification	Fully/partially/not achieved	Actual date	Reason for deviation	Action plan corrective measures
	Construction of ramps for the disabled	Number of ramps	12	100%	Reports to PD&I and photographs	Achieved			
Key objective: Parks and gardens									
Parks and gardens	Preston Public Park established at the current roads depot site in Park Rynie (relocate roads depot by July 2010)	Relocate roads depot and complete earthworks for the park by July 2010	Relocate roads depot and complete earthworks for the park by July 2010	Soil has been imported for earthworks.	Existence of park – photographs	Partially achieved	Depot cannot be relocated until new depot has been constructed	Continue with project once new depot has been constructed	
	Indigenous tree planting	Plant 200 trees by June 2010	100 trees planted	700 trees planted	Invoices and photographs	Achieved	Dec 2009		
	Establish children's playground at park (jungle gyms)	One playground established by July 2010	Playground by July 2010	Old Lotus Park library demolished Paving complete. Jungle gym to follow	Existence of playground/ photographs	Partially achieved			
	Bush clearing, cutting and maintenance of vacant Municipal owned properties	100 000 m ² by July 2010	50 000 m ²	125 000 m ²	Report	Achieved	Dec 2009		
Key objective: Maintenance of Council-owned buildings									
Maintenance of Council-owned buildings	Renovate Council-owned buildings	100% completed by July 2010	25%	100%	Reports to PD&I Committee and photographs	Achieved	June 2010		

Community Services

The following were among the issues discussed at the meeting:

- The number of accidents and lack of vehicle control within the fire section is a cause of concern, especially considering the value of the vehicles.
 - Affordability of skilled employees is a challenge – due to financial constraints, the Municipality is often compelled to employ trainees.
- Recovering of fees from the sister municipalities for the shared Disaster Services Centre.
- Dealing with arson in the communities
- Umzinto Taxi Rank extension and bus rank
- Investigate the CCTV – consider all the costs
- Umdoni Bursary – for purposes of sustainability, there is a need to decide on whether to continue with the old students or take new ones. This item is to be properly addressed in the next portfolio committee.
- Housing is to still to remain a priority.
 - The housing development at Farm Isonti needs a proper name. This will be the same name that will be registered for township establishment at the Deeds Registry's Office.
- The impact and functioning of forums established by the department.

Programme	Key performance indicator	Target		Achieved/ not achieved/ partially achieved	Reason for deviation	Action plan/ corrective measure	Means of verification
		Projected	Actual				
Beach cleaning and maintenance	Beach facilities kept 100% clean	100%	100%	Achieved	-	Will introduce frequency of cleaning per week as a measurable monitoring tool	Monthly reports presented to portfolio committee
Seasonal night markets	No. of seasonal night markets undertaken	3	3	Achieved	-	-	Reports presented to the portfolio committee
Provision of parking facilities in beaches	Income generated from parking fees	R188 000	R211 703	Achieved	-	-	Income receipts print out
Provision of parking facilities in Park Rynie campsite	Income generated from parking fees	R210 000	R331 123	Achieved	-	-	Income receipts print out
Fire fighting	Signed Ugu northern area fire shared services SLA	SLA signed, buildings identified and equipment acquired	Shared services SLA signed	Achieved	-	-	Signed copy of the SLA
	No. of satellite fire stations in operation in Vulamehlo and Umzumbe	Two buildings identified and equipment acquired	Parking shelters and offices identified	Achieved	-	-	Weekly schedules and photos of identified facilities
	No. of workshops conducted for fire Prevention Awareness	4	4	Achieved	-	-	Reports
	% of existing staff trained	50% of full time staff	100% of full time staff	Achieved	-	-	Reports
	% completion of business inspections and building plans conducted within seven days of receipt of application	100%	100% of received plans	Achieved	-	-	Reports
Risk Management Plan	% of successful assessments in the nine wards	100%	100% (all wards)	Achieved	-	-	Assessment reports
Umzinto Bus Rank	Identification of suitable land	Council approval/ resolution	Land identified	Partially achieved	All milestones achieved but could not get Council resolution as this project was not budgeted for	Pursue negotiations with Department of Public Works to acquire testing centre land once relocation has occurred	Minutes of stakeholders meeting, attendance register and photos of potential bus rank site
Umzinto Taxi Rank extension	% completion of plan drawn	100%	Project transferred to be dealt with by Municipal Manager's Office	-	-	-	Council resolution transferring this project to Development Section
CCTV	Compilation of a technical report	Technical report completed	Technical report completed	Achieved	-	-	Minutes and attendance register of stakeholders meeting and a copy of a technical report adopted by stakeholders
Traffic management system	Procure a traffic management system	Traffic management system procured	Not procured	Not achieved	Initially there was no budget allocation Surplus funds identified towards end of 2009/2010 Exco resolution obtained but could not be implemented by SCM section	We will identify surplus funds in 2010/2011 financial year	EXCO resolution and quotation received
Thusong Centre in Amahlongwa	Apply for approval of Thusong Centre in Amahlongwa	Source funding approval from Dept. of Co-operative Governance & Traditional Affairs	Negative response received from CoGTA - KZN	Not achieved	Concept plan and proposal forwarded to CoGTA but the response was negative citing budget constraints	Will attempt re-applying to the department	Correspondence from CoGTA - KZN

Programme	Key performance indicator	Target		Achieved/ not achieved/ partially achieved	Reason for deviation	Action plan/ corrective measure	Means of verification
		Projected	Actual				
Programme for booking of facilities	Operationalise the electronic system	Operationalise electronic booking system	Booking system procured, installed and operation-alised	Achieved	-	-	Proof of procurement
Umdoni Mayoral Cup	Tournament hosted and number of sporting codes participated	Soccer (M+F), netball (M+F), cricket, volleyball participating in the tournament	Soccer (M+F), netball (M+F), cricket, volleyball participated in the tournament	Achieved	-	-	Reports from Portfolio Committee
SALGA KZN and Winter Games 2009	Participation in SALGA Games with sport codes participating	90% of sport codes representing Umdoni Municipality	95% of sport codes participated in the games and represented Umdoni Municipality	Achieved	-	-	Reports from Portfolio Committee
Umdoni Sports Indaba and launch of Umdoni Sports Council	Hosting of Sports Indaba and Establishing Sports Council	All sporting codes participating in the sports Indaba and be part of Sports Council	All sporting codes participating in the sports Indaba and be part of Sports Council	Achieved	-	-	Reports from Portfolio committee
Orphans and Vulnerable Children Forum establishment	Launch of OVC Forum	Umdoni OVC Forum launch	OVC Forum not launched	Not achieved	Recommendation made that budget be added on dress a school child programme	-	Reports from Portfolio Committee
Dress a School Child Campaign	No. of deserving OVCs benefiting from the programme	10 OVCs benefiting within 15% of primary schools (three schools and 30 children)	150 children benefitted in 83% of primary schools (15 schools)	Achieved	-	-	Reports from Portfolio Committee and list of children and their schools
Annual Youth Vezikhono Talent Show	No. of annual show successfully hosted	1 Youth Vezikhono Talent Show successfully held	1 Youth Vezikhono Talent Show successfully hosted	Achieved	-	-	Reports from Portfolio Committee
National Youth Service Programme – Proud to Serve Campaign	One five-day Proud to Serve Campaign held	Minimum of 200 youth recruited in the programme	Proud to serve 2010 soccer world cup campaign Four soccer teams participated	Achieved	-	-	Reports from Portfolio Committee and name of teams that participated
Umdoni Bursary Fund	No. of deserving matriculants awarded bursaries	Five matriculants awarded bursaries	13 matriculants awarded bursaries	Achieved	-	-	Reports from Portfolio Committee and list of students
Youth Council Quarterly meetings	No. of quarterly meetings held in a year	Four youth Council meetings	Two youth Council meetings	Partially achieved	Old Youth Council was dormant and new structure launched in the 2nd quarter	A schedule of meetings is being prepared for the 2010/2011 financial year	Reports
Gender Forum Capacity Building Workshop	No. of workshops for Umdoni Gender Forum held	One workshop for Umdoni Gender Forum	One workshop Umdoni Gender Forum held	Achieved	-	-	Reports

Programme	Key performance indicator	Target		Achieved/ not achieved/ partially achieved	Reason for deviation	Action plan/ corrective measure	Means of verification
		Projected	Actual				
Financial support to women agricultural groups	Women agricultural groups funded	Four agricultural women groups funded	60 women from Ward 2 & 9 funded with farming seeds	Achieved	Council resolution taken to change to "one home one garden approach"	-	Reports
Women's Day Celebration	Participation and/ or hosting the annual celebration	At least one celebration hosted or participated in	No event hosted but a group of ladies participated in the provincial event	Achieved	No event hosted due to limited budgetary but delegation attended an event		Reports
HIV & Aids Awareness Schools Campaign	Awareness campaigns held	Five campaigns held in five schools	Five campaigns held in five schools	Achieved	-	-	Reports
Branded condom and femidom dispensing containers	No. of condom and femidom dispensers installed in community facilities	50% installation (three community facilities)	Three community Facilities and four other facilities	Achieved	-	-	Reports
Umdoni Local Aids Council	No. of meetings and workshops held	Four Umdoni LAC meetings and one workshop participated in		Not achieved	Two attempts have been made and meeting scheduled but had to be postponed due to many apologies	A refresher workshop will be scheduled for the LAC	Invitation letters to the stakeholders
Wards Aids Councils HIV & Aids, TB and STD Workshop	Workshops held in all nine wards	100% wards: nine Aids Councils to be workshopped	No wards Aids Councils workshopped	Not achieved	Ugu Special Programmes Unit recommended that we cannot launch wards Aids Councils while LAC is not functional	Will revive LAC within the 2010/2011 financial year	Reports
Amahlongwa Rural Housing	No. of houses built	180	No houses built	Not achieved	Delays in preparation & approval of Tranche two application	Ugu as implementing agent requested to fast track implementation	Reports
Malangeni Rural Housing	No. of houses built	400	726 houses were built to date and handed over to beneficiaries	Achieved	-	-	Reports
Umzinto Slums Clearance	No. of houses built	300	No houses built	Not achieved	Unexpected delays in securing land and obtainment of ROD	EIA process in final stage with comments received from Dept of Environment and is being addressed by consultants ROD expected in Mid August Planning and Development Act (PDA) Is being followed as DFA and LEFTI are no longer an option to be used	Reports
Temporary Housing (rural areas)	No. of families relocated	180	61	Partially achieved	Delays by the contractor	Meetings have been held with Contractor and DOHS as intervention to improve delivery	Reports
Consumer education	Number workshops	4	3	Achieved	The fourth consumer education interrupted by community members but staff were at the venue	A repeat consumer education will be scheduled	Reports
Ghandinagar	100% policy developed and adopted by Council	100%	Policy developed but not adopted by Council	Achieved	Council did not adopt the policy because it would be difficult to implement	-	Reports
Riverside Park	No. of units transferred	All units transferred	No transfers made	Not achieved	Could not secure services of social facilitator that was initially preferred	Advertisement made and adjudication of tenders expected soon	Reports

Corporate Services

The following were amongst the issues discussed at the meeting.

- No of meetings held for ward committees and roles and responsibilities
- Infirm employees in the refuse removal section
- Communication
- Fleet Management –
 - vehicle abuse,
 - negligent,
 - Training of personnel.
 - Reporting mechanisms,
 - Petrol.

Programme	Key performance indicator	Target	Achieved/not achieved/ partially achieved	Reason for deviation	Action plan/ corrective measure	Means of verification
Effectively functioning Ward Councils	No. of secretaries trained	Five ward committee secretaries trained	Achieved nine ward committee secretaries were trained	N/A	N/A	Attendance registers for training
	% of items actioned by HODs from Ward Committees	100% actioning of relevant items by HODs	Achieved Approx 70% matters raised were addressed to Committees by relevant HODs and about 30% matters were referred to other sector departments	N/A	N/A	Copies of action sheets Copies of letters referring matters to Sector departments
Monitor scheduled ward committee meetings	No. of meetings held	Four meetings held by each ward committee	Partially achieved Four ward committees have complied fully	Ward 1, 3, 6, 8 & 9 did not comply in holding the required number of meetings	Report to Council was tabled for discussion	Copy of report to Council
Management brainstorm session	% completion of discussion document	100% completion of discussion document	Achieved Workshop held and full discussion of document undertaken	N/A	N/A	Copy of presentation
	No. of issues raised and number of issues attended to				N/A	Report to Council
Roles and responsibilities	No. of workshops on roles and responsibilities	One workshop	Achieved Workshop held and full discussion of document undertaken			Copy of presentation
Substance/alcohol abuse counselling	No. of cases of support received	100% support facilitated	Partially achieved	No. of cases dealt with is dependent on cases brought forward		Copy of staff notice
HIV & Aids counselling		100% support facilitated	Partially achieved	No. of cases dealt with is dependent on cases brought forward		Copy of staff notice
Domestic violence counselling	No. of cases of support received	100% support facilitated	Partially achieved	No. of cases dealt with is dependent on cases brought forward		Copy of staff notice
Annual review of existing policies	No. of policies reviewed	10 reviewed HR policies	Partially achieved	Four policies reviewed, adopted and workshopped at Management Workshop on 10 June 2010	Industrial action hampered the schedule of activity for the programme World Cup/Council recess period	Copies of four reviewed policies Council resolutions
New HR policies	No. of policies developed	A total of five new policies by end March 2010	Partially achieved	Three new policies developed, adopted and workshopped at Management Workshop on 10 June 2010	Industrial action hampered the schedule of activity for the programme World Cup/Council Recess Period	Copies of new policies adopted Council resolutions
HR manager	No. of HR Manager recruited, inducted & working	One HR Manager	Achieved	N/A	N/A	Letter of appointment
ABET	No. of staff trained	20 workers	Not achieved	Service providers obtained through the SCM were not accredited	External accredited service providers were sourced in June 2010	Copy of correspondence from accredited service provider

Programme	Key performance indicator	Target	Achieved/not achieved/ partially achieved	Reason for deviation	Action plan/ corrective measure	Means of verification
Specialist technical training	No. of staff trained	Five artisans	Achieved 43 staff trained in road patching, kerb laying and construction of v-drains	N/A	N/A	Copies of certificates Copies of attendance registers Photographic evidence at certificate handover ceremony
First Aid	No. of staff obtaining certificate of competence	13 field-based staff	Achieved Training is scheduled for Monday 5 July 2010 - Wednesday 7 July 2010	N/A	N/A	Attendance registers
Councillor training oversight	No. of Councillors trained	18 all Councillors	Achieved DLGTA presentation on Councillor oversight and roles and responsibilities (Mr Lionel Pienaar & Mr John Johnsons)	N/A	N/A	Copies of presentation
Learnerships	No. of learners skilled	15 unemployed persons and unemployed graduates	Achieved	N/A	N/A	16 indemnity forms completed Copies of certificates Copies of attendance registers Photographic evidence at certificate handover ceremony
Council newsletter	No. of newsletters produced	Four quarterly newsletters	Not achieved	Staff capacity shortcomings	Report to MM as well as the Performance Evaluation Committee	N/A
Media briefings on SDBIP	No. of media briefings held	Four media briefings: one per quarter	Partially achieved	Staff capacity shortcomings	First media briefing held on Friday, 4 June 2010	Media briefing pack & photographic evidence
Mayoral Izimbizo	No. of Mayoral Izimbizo held	Four Mayoral Izimbizo	Achieved	N/A	N/A	Photographic evidence Notes taken at Izimbizo Attendance registers
	No. of matters raised and issues attended to and resolved		36 Matters were raised and responded to Three Issues were dealt with through internal structures	N/A	N/A	Report to Council/ MANCO
Integration of public participation through ward committees	No. of PP interventions in rural areas	Three PP interventions in rural areas per department	Achieved	N/A	N/A	Attendance registers
IDP/budget roadshows	No. of roadshows held	Four roadshows	Achieved	N/A	N/A	Photographic evidence
	No. of matters raised and issues attended resolved	22 matters raised and responded to	N/A	N/A	Notes taken at meeting and photographic evidence	
Community outreach programmes	No. of community outreach programmes held	12 community outreach programmes	Achieved 15 community outreach programmes held	N/A	N/A	Attendance registers Photographic evidence
	Statistics on people assisted by different stakeholders involved	Approximately 1840 people received services during the outreach programmes	N/A	N/A		
Service delivery improvement	No. of departmental reports on service delivery	One report per department	Partially achieved	Lack of direction	Committee disbanded and new committee put in place	Copies of minutes
MANCO & Service Delivery Committee	Action plan	One action plan report	Achieved	N/A	N/A	Copy of action plan tables at MANCO
	Reports on MSDC – action plan	Monthly progress reports	Achieved	N/A	N/A	Copies of reports to MANCO
Engagement with SITA	No. of reports and action plan	One assessment report	Partially achieved	SITA did not confirm terms of reference	A proposal has been submitted by SITA	Copy of proposal
IT procedure manual (job cards)	% of job card logs attended to	80%	Achieved	N/A	N/A	Job card record book

Programme	Key performance indicator	Target	Achieved/not achieved/ partially achieved	Reason for deviation	Action plan/ corrective measure	Means of verification
Switchboard and telephonic systems	% reduction of traffic on switchboard	50% reduction of traffic on switchboard by July 2009	Achieved	N/A	N/A	Coy of public notice with DID numbers
Develop an electronic document and complaints management system	% of saving on paper and stationery vote	30% reduction in paper trail June 2011	Partially achieved Target is due in June 2011	Preliminary assessment has been completed in preparation for implementation in 2010/2011	Mock-up system is currently on test	Copy of mock-up system
	No. of feedback reports – track & trace		Not due this financial year	N/A	N/A	N/A
Hit counter	No. of users who log onto the site		Achieved 7 644 users have logged onto site	N/A	N/A	Copy of web page
Customer care online feedback forms	No. of forms that are completed	50 feedback forms received	Achieved Over 180 feedback forms received	N/A	N/A	Copies of feedback forms
Online enquiries for rates	% completed feasibility study	100% completed	Achieved 100% assessment feasibility study undertaken	N/A	N/A	Assessment report
	No. of ratepayers who are able to enquire their accounts online		Not due thus financial year	N/A	N/A	N/A
Technical inspections of the properties	No. of properties inspected	Technical reports for 20 properties	Achieved 23 properties inspected and evaluated	N/A	N/A	Copy of evaluation schedule
Valuation of property	No. of valuation certificate	Valuations of 20 properties	Achieved 20 valuations were completed	N/A	N/A	Copies of valuation certificates
Tender process	No. of tenders awarded	20 properties advertised and 12 properties awarded	Partially achieved	Tender advertised Nil bids were received	Report to F&A with the necessary recommendations	Report to F&A
Maintenance of contracts/leases registers	No. of contracts listed/ registered	100 % of compliance with the listing of contracts	Achieved 63 leases 185 agreements 100% compliance achieved	N/A	N/A	Registers attached
Staff trainings/ workshops	No. of registry staff workshopped	30 staff workshopped	11 staff trained	N/A	N/A	Attendance registers
Dissemination of the registry manual departmentally	No. of registry manuals disseminated	50 registry manuals disseminated	Partially achieved	The target was reassessed in order to be in line with the recommendations from KZN Provincial Archives	KZN Provincial Archives was requested to do an assessment of the existing processes	Copy of KZN Archives report Copy of draft tender advert
Maintenance and roll out of fleet management software	Installation of software	FM software installed	Not achieved	Due to staff capacity, target was reviewed during the mid-year performance assessment	Motivation for the appointment of a fleet manager	Copy of motivation to the Municipal Manager
	No. of users trained	...users trained	Not achieved	As above.	N/A	N/A
Monitoring, implementation of FMP	% level of compliance	55% compliance	Partially achieved	FMP needs to be reviewed	Once the appointment of the fleet manager has been appointed, effective monitoring of implementation will commence	N/A
	No. of policy contraventions dealt with through the FMC	No of contraventions dealt with	Partially achieved	FMP needs to be reviewed	Review of FMP will be completed during the first quarter 2010/2011	N/A
	No. of monthly meetings held & reports submitted to MANCO	8	Partially achieved	Six FMC meetings held	Reports submitted to MANCO with recommendations	Copy of MANCO report

Programme	Key performance indicator	Target	Achieved/not achieved/ partially achieved	Reason for deviation	Action plan/ corrective measure	Means of verification
Tabling of Annual Report	Adoption of the Annual Report in April 2010		Achieved Annual Report adopted at Council meeting – Wednesday, 24 February 2010 Annual Report distributed to all Councillors and other stakeholders	N/A	N/A	Council resolution
Copy of printed Annual Report	Distribution of the Annual Report		100% distributed	N/A	N/A	Copy of distribution list

Financial Services

The following were among the issues discussed at the meeting:

- Debt recovery
- Efficient implementation of SCM policies and regulation
 - to avoid delays resulting in non-service delivery
 - Contract management
- Capacity building and training
- Project cost versus value for money
- Operational management of procurement
- Corrective measures
- Poor/non-existence of inter-department feedback process resulting in time delay
- Promotion and development of SMMEs – training required prior to the involvement of SMMEs
- Cooperative development and empowerment is a challenge – potential for development
 - Creating a conducive environment
 - Annual workshops for SMMEs
 - Informal traders to be roped into the training/workshops
 - Reviving the EPW programme.

Programme	Key performance indicator	Target		Achieved/ not achieved/ partially achieved	Reason for deviation	Action plan/ corrective measure	Means of verification
		Projected	Actual				
Asset maintenance plan	% completion adopted plan	100% completed asset maintenance plan	An asset framework has been developed and workshopped and adopted by the June MANCO	Achieved		The plan shall be issued to the August MANCO for adoption	Adopted plan
	No. of staff workshopped on plan	20 staff workshopped on plan	Staff were workshopped during the budget process and a subsequent management workshop in June	Achieved	-	-	Agenda and register of management workshop
	% of indexing completed	90% completion of indexing of new assets	100% movables 75% immovables	Achieved	The disaster projects shall require expert engineer estimates in order to ensure correct itemisation	-	Asset working schedules
Componentisation of Asset Register	Componentised asset register	Componentised asset register	The immovables have been completed	Partially achieved	Amendments in accounting standards, have required a modified approach towards componentisation	Ongoing review of standards and amendments to ensure our asset register is in line with best practice	Fixed asset register

Programme	Key performance indicator	Target		Achieved/ not achieved/ partially achieved	Reason for deviation	Action plan/ corrective measure	Means of verification
		Projected	Actual				
Maintain unqualified audit report	Status of audit report	Unqualified audit report	Unqualified audit report achieved for the 2008/2009 financial year A plan of corrective measures have been developed to addresses weaknesses	Achieved	-	-	Audit report plan of corrective measures
Budget, cash-flow understanding and accountability	No. of staff and Councillors workshopped	100% management and Councillors workshopped	100% Councillors and management workshopped	Achieved	-	-	Minutes of budget steering committee
Credit control and debt collection policy	% adoption and implementation of policy	100% reviewed adopted and implemented policy by officials understanding the policy	Policy reviewed, adopted by Council and implemented	Achieved	-	-	Council resolution
	No. of officials workshopped on policy	One workshop of policy to officials & Councillors	Debt recovery sub-committee established and procedures workshopped to officials	Achieved	-	-	Management workshop agenda and minutes of debt recovery sub-committee
Handover of debtors to attorneys	No. of days between completion of internal processes and handover	Seven working days	All legal processes are now handled in-house up to and including sales in execution, if undefended	Partially achieved		The processes for debt recovery have been amended during the course of the financial year This has resulted in increased turn-around times as well as a reduction in attorneys fees	Hand-over listing
	No. of debtors handed over	510	1 314	Partially achieved		As above	Hand-over listing
	Value of debt recovered in Rands	R5.5 million	R18 973 672	Partially achieved		Total debt collected which was over 30 days irrespective of the year	Debt recover reports
Handover debt management	No. of monthly progress report	12 quality reports	Reports are submitted to every sitting of the debt recovery sub-committee	Achieved	-	-	Minutes of the debt recovery sub committee
Categorisation of debt by recoverability	No. of debtors: implementation of debt category specific procedures	% per category debt recovered	Collection procedures continue to be developed and standardised, eg. AODs and collection of rental debt Reports are now reported on collections per category Collections have now began in the Riverside and Ghandinagar areas				Minutes of the debt recovery sub committee
Realistic revenue streams	No. of revenue streams identified and income received in Rands value from each stream	Income streams identified	All revenue streams were reviewed resulting in two new stream being identified and three tariff re-structurings	Achieved			Budget steering committee minutes Tariff of charges

Programme	Key performance indicator	Target		Achieved/ not achieved/ partially achieved	Reason for deviation	Action plan/ corrective measure	Means of verification
		Projected	Actual				
SCM Policy	100% policy approved	100% adopted, reviewed, and implemented policy and procedures	Revised policy adopted Monthly reports are submitted directly to Council regarding the deviations, awards of tenders and quotations	Achieved			Council minutes
	No. of officials trained/ understanding policy	25 officials trained on reviewed policy	Policy review formed part of the budget process	Partially achieved		Full understanding not achieved as various matters currently being raised	
SCM business processes	MANCO Resolution of adoption of service level agreements	Adopted and implemented service level agreements and procedures	The procedures and delegations including timeframes have been adopted by MANCO	Achieved			MANCO resolution
Contract management	100% measurable rating performance management system for contractors developed and implemented	100% reviewed and implemented processes	A process for payments have been adopted by MANCO in order to avoid a repeat of the AG query which occurred in the prior year Further aspects of contract management is contained within the MBD forms which shall be continuously developed	Partially achieved	-	Given the vast nature of contact management, the processes involved are required to be further detailed and documented In recognition of this task, provincial treasury SCM Unit is compiling an parallel system for contract management	Payment process
MANCO Resolution	No. of officials workshopped on the abovementioned system	Matter raised and workshopped at MANCO level	All HODs workshopped	Partially achieved	-	All manager shall be workshopped at the next management workshop	MANCO Resolution

Office of the Municipal Manager

Development

The following were among the issues discussed at the meeting:

- Functionality and sustainability of the gel co-ops – there is a need to diversify the sales by having a variety of products as long as they are not in conflict with products by SASOL.
 - The municipality should look at ways in which to assist where there are shortcomings.
- Intensify the involvement of the Department of Agriculture in communal gardens so as to ensure effective monitoring and sustainability of projects.
 - Agriculture is a primary objective of the department.



Programme	Key performance indicator	Target		Achieved/ not achieved/ partially achieved	Reason for deviation	Action plan/ corrective measure	Means of verification
		Projected	Actual				
Beachfront development	% completion	100% for EOI	50%	Partially achieved	The draft document has been developed however it needs to be revised so as to accommodate the current situation as requested by Council, since the air-rights matter was holding up the process Council has since indicated that the service provider's must continue without the air-rights	Council met with the consulting team and a way forward was discussed	Draft EOI document Council resolution
Umzinto CBD Renewal	No. of projects undertaken	1		Partially achieved	Projects undertaken as part of the disaster projects		
Park Rynie Industrial Park	% completion of the implementation plan	80%	40%	Partially achieved	<ul style="list-style-type: none"> Phase 1 (i.e. storm water installation has commenced) and at this stage construction is 40% complete; Blasting of bedrock has to a certain extent imposed a few set backs on progress on the ground; Site/ technical committee meetings have been convening progressively; November 2010 is still anticipated as the completion date of the project	N/A	Monthly report from the contractor
Shared services	% implementation of development planning shared services	100	100	Achieved	N/A	N/A	Advert, Appointment letter of the planner for the shared services
IDP	% adoption of the IDP	100%	100%	Achieved	N/A	N/A	Council resolution, Copy of IDP
	Assessment	75%		Not achieved	The results from province are not yet out however the documents were submitted on 9 July 2010	N/A	Letter from the department provincial COGTA/MEC
PMS	% adoption of PMS	100%	100%	Achieved	N/A	N/A	Council resolution, copy of scorecard
	No. of quarterly reviews undertaken	4	4	Achieved	N/A	N/A	Quarterly reports copies
	No. of performance reports prepared	4	4	Achieved	N/A	N/A	Copies of report
SDBIP	% adoption of SDBIP	100%	100%	Achieved	N/A	N/A	Council resolution, copy of document
Strategic planning workshops	No. of strategic planning workshops undertaken	2	2	Achieved	N/A	N/A	Attendance registers and agenda's
Gel distribution	No. hh to benefit from seven litres of gel per month	3 000 hh	4 000 hh	Achieved	N/A	N/A	Monthly distribution lists
	No. of gel stoves distributed	1 000	1 000	Achieved	N/A	N/A	Distribution list with signatures and ID numbers
Communal gardens	No. of new communal Gardens identified and assisted	5	11	Achieved	N/A	N/A	Photo's invoices
	No. of meetings arranged with extension officers	9	10	Achieved	N/A	N/A	Minutes of meetings with extension officers together with associations
One Home One Garden	No. of homes assisted	88	88	Achieved	N/A	N/A	Signed list

Programme	Key performance indicator	Target		Achieved/ not achieved/ partially achieved	Reason for deviation	Action plan/ corrective measure	Means of verification
		Projected	Actual				
Needs Analysis Campaign	No. of people assisted with their IDs	60	60	Achieved	N/A	N/A	List from Home Affairs
	No. of meetings held with Home Affairs, DSD & SASSA	4	4	Achieved	N/A	N/A	Minutes of meetings Attendance register
	No. of wards covered for ID campaign	9	4	Partially achieved	Covered Ward 8 & 9, 2, 3 The identification was done in conjunction with the Department of Home Affairs of which their focus area was eMalangeni area and high schools	To liaise with the department of home affairs from inception Due to the availability of the customer care van this function has now moved to corporate services	Letter from Home Affairs
Investment policy	% completion adopted policy	100%	0%	Not achieved	Department of Economic Development and Tourism had no funds allocated for the financial year, subsequently there is no funding for the project	Sought to seek the expertise within the Government Departments rather than seek funding to outsource to consultants	A letter from DEDT
Park Rynie Industrial Park expansion	% completion of engagements with landowners	100%	40%	Partially achieved		N/A	Monthly report from the contractor
SMME tourism training	No. of SMMEs trained	20 SMMEs	10 SMMEs	Partially achieved	10 SMMEs attended the training facilitated by South Coast Tourism in April	Arrange another training for those not trained	Invites were sent to 20 SMMEs 10 SMMEs responded Attendance register
Rural tourism nodes	% completion of rural tourism strategy/report	100%	100%	Achieved	Rural nodes are identified in the rural development strategy		Adopted report Council resolution
Tourism page	% completion of tourism web page	100%	5%	Not achieved	South Coast Tourism website has been completed, the marketing manager of South Coast Tourism will be meeting with our web designer to discuss linkages	A meeting is scheduled with South Coast Tourism to develop action plans	South Coast Tourism will assist in developing tourism page
SMME training	No. of SMMEs trained	100 SMMEs	156 SMMEs	Achieved	SMMEs and cooperatives were trained in money management facilitated by Old Mutual		Attendance certificates Attendance register
Contractors Training on costing and filling in of tender documents	No. of contractors trained in tendering for government work	50	22	Partially achieved	Ugu NPC initiative will be advertised in September 2010, where more contractors will participate in the programme Training for Vukuzakhe contractors was also conducted		Attendance certificate
Job creation	No. of local jobs created through capital projects	100	317	Achieved	Most of the capital projects were from the Disaster Fund		Proof of employment
	Rotation of database		20%		Still working on a system to capture rotation of service provider	Arrange meetings with SCM	No. of jobs given to a service provider

Internal Audit

The following were amongst the issues discussed at the meeting:

- The audit committee must be introduced to Councillors at a Council meeting so that they can interact with Council.

Programme	Key performance indicator	Target		Achieved/not achieved/partially achieved	Reason for deviation	Action plan/corrective measure	Means of verification
		Projected	Actual				
Fraud prevention	Fraud prevention officer	One fraud prevention officer	-	Not achieved	Budgetary constraints	MIA deals with issues of fraud and in conjunction with Corporate Services deals with reports from the Presidential Hotline Centralised fraud system currently being explored with District Municipality	Register of incidents and complaints Minutes of MM forums
	Anti-fraud corruption strategy	% of strategies commenced, implemented	30%	Partially achieved		Included in each S57 performance contract	Registers, mid and annual evaluation process Fraud register detection and prevention
	Fraud Prevention Plan	% compliance to requirements of plan	35%	Partially achieved and ongoing (straddled reporting)		Included in each S57 performance contract Re-established MSDC to aid in the roll-out programme	Registers and mid and annual evaluation process Fraud register detection and prevention
	Awareness programme – internally and externally	% of reported cases of fraud and corruption	25%	Partially achieved & ongoing (straddled reporting)		Matter was revisited at the strategy session with DM LM's process is very dependant on the DM's response (MM's Forums)	Minutes of MM forums
Risk management	Risk management officer	One risk management officer	-	Not achieved	Budgetary constraints	MIA deals with issues of risk in conjunction with the newly established RMC Centralised RMO is presently being explored with DM	Risk profiling registers for respective departments, audit plan, submission to audit committee and accounting officer
	Risk management committee	No. of members	8	Achieved	N/A		
	Risk management policy and strategy	% of risks mitigated	40%	Partially achieved and ongoing (straddled reporting)	Operational constraints	RMC must meet regularly Management must attend to risk registers and manage same Included in each S57 performance contract	Risk profiling registers for respective departments, and consolidated Quarterly performance reporting
	Risk management training	% of officials capacitated with regards to risk management	Eight members by 30 June 2010	Partially achieved and ongoing (straddled reporting)	N/A	Members must be familiarised and made aware of all upgrades and new training programmes The possibility of procuring a risk profiling system must be explored	
Internal audit	Annual internal audit plan	% of projects identified from the risk register and no. of projects completed (12)	80% 9/12	Partially achieved and ongoing (straddled reporting)		Incomplete projects – housing and traffic management – HOD to take ownership and manage identified risks IT – funding issues PT will assist in FY 2010-2011 SITA and Corporate Services to finalise negotiations and obtain clearance Audit to proceed irrespective	Audit reports Plan of corrective measures Recommendations implemented Reporting to AO, audit committee and Council

Cross-cutting issues

- Role of middle management to ensure effectiveness and efficiency in management and planning:
 - pro-active planning and assertiveness
 - effective communication
 - micro-management of departments.
- Council oversight and accountability
- HR task team
- Management workshops
- Time management e.g. arriving late at meetings – management is to lead by example.

- What time do we start work – all staff
- Professionalism
- Control mechanisms need to be in place e.g. look at clock cards.
- Maximum potential use of the Customer Care Van
- Fleet management and control
- Infirm employees in the departments
- Employment of suitably qualified employees
- Training and capacity building
- Setting of goal posts and bending of rules
- Staff production
- SMME development and promotion (including training and workshops)
- Review of policies – not to be done as an adhoc process.

Discussion follow up on parked items

During the session, certain issues mentioned above were parked and after the presentations were completed, further discussions took place with regards to the following issues:

- Removing CCTVs as an indicator. To be placed in the future planning but not as a priority
- Bursary:
 - effective monitoring
 - determine the pass rate
 - limited funding
 - monitoring is being done however very few students get NFSAS
 - item to be fully discussed through to the portfolio committee and do not start with this financial year until the issue is resolved.
- Functioning of special programmes/forums:
 - capacity building required so as to understand the roles and responsibilities of these forums
 - plan required on how to move forward as these are forums involving the community
- Communication:
 - efficiency
 - special attention must be paid – information contained in the SMS
 - reliability
 - accuracy
 - Timing
- Monthly reporting of vehicular accidents – F&A.

Conclusion

It became very clear that Council's oversight role is to ensure that the resources of the Municipality are utilised optimally and that a mind-shift is required to ensure service delivery in our communities. Special attention is required within the sphere of middle management to be proactive and assertive when it comes to planning so as to maximise the use of the Municipal resources.

Under-targeting was also scrutinised and HODs were cautioned, however, it was revealed that certain steps had already been taken for the 2010/2011 financial year.

As a way forward, Council will look at issues discussed in the upcoming management workshops.



Council's Oversight Report

DATE: 30 March 2011
NON DELEGATED ITEM
FOR CONSIDERATION OUT OF COMMITTEE

DEPARTMENT: Corporate Services
AUTHOR OF REPORT: Cllr Baptie

Purpose

For Council to adopt the Oversight Report in respect of the 2009/2010 Annual Report.

Attachments

Annual Report Checklist – Letter to Auditor General dated 15 September 2010	
2009/2010 Annual Report (distributed to Chief Whips)	pg 241
Minutes of the Oversight Committee Meeting held on 15 November 2010	pg 243
Minutes of the Oversight Committee Meeting held on 10 March 2011	pg 246

Background

MFMA Circular No 21, issued by National Treasury on 15 March 2006, provides guidelines on the preparation of the Oversight Report in respect of a Municipality's Annual Report. The guidelines were followed and Council appointed an Oversight Committee which comprised the following members:

Non-executive members

Cllr EV Baptie
Cllr D Cele
Cllr N Msani

Public members

Pastor L Nagan
Mr M Nyadi

Audit Committee

Mr S Hlope/Mr P Preston

The above committee met on two occasions to consider the Annual Report. The minutes of the meetings follow.

The community and Councillors were invited to submit representations on the report and copies of the draft document were placed at all Council libraries and Municipal Offices. No comments were received.

The draft Annual Report was forwarded to the Office of the Auditor-General on 15 September 2010 and forwarded to CoGTA on 31 August 2010. In accordance with section 129 of the MFMA, the Annual Report was also tabled before Council at the December 2010 Council meeting together with the annual financial statements.

At its meeting held on 10 March 2011, the Oversight Committee unanimously agreed to recommend to Council the adoption of the Annual Report.

Municipal Manager's comment

For consideration.

Recommendation

Council resolved as follows:

1. that the Council, having fully considered the 2009/2010 Annual Report of the Municipality and representations thereon, adopts the oversight report, and
2. that Council approves the 2009/2010 Annual Report without reservations.
3. that the amended Audit Report for the year ended 30 June 2010, from the Office of the Auditor General (S.A.) be hereby received and noted.
4. That the Plan of Corrective Measures aligned to the Audit Report in resolution (3) be hereby adopted.



CHAIRPERSON, CLLR EV BAPTIE

Annual reporting checklist: Municipalities

	Annual report components	MFMA	Yes	No	N/A	Comments
1	Is there a set of the audited annual financial statements?	s121(3)(a)	✓			Page 33
2	Does the Annual Report contain the audit report on the AFS?	s121(3)(b)	✓			Page 35 - to be incl.
3	Does the Annual Report contain annual performance report in terms of s46 of the MSA?	s121(3)(c)	✓			Page
4	Does the Annual Report contain the Auditor-General's report on the Municipality's performance report?	s121(3)(d)	✓			Page 35 - to be incl.
5	Does the Annual Report contain an assessment of the performance against measurable performance objectives for revenue collection by the accounting officer?	s12 (3)(f)	✓			Page
6	Does the Performance Report include the current year's performance and targets as well as the prior year?	MSA s 46 (1) (a)	✓			Page
7	Does the Performance Report include measures that were taken or are to be taken to improve performance?	MSA s 46 (1) (a)	✓			Page
8	Does the Performance Report contain the development and service delivery priorities and performance targets set for the next financial year?	MSA s 46 (1) (a)	✓			Page
9	Is there an assessment by the accounting officer on any arrears on municipal taxes and services charges?	s121(3)(e)	✓			Incl. under the Accounting Officer's Report
10	Does the Annual Report contain a response to the audit report on the AFS?	s121(3)(g)	✓			To be included (8/9 incl.)
11	Does the Annual Report contain the recommendations of the Audit Committee?	s12 (3)(j)	✓			To be included after audit committee
12	Does the Municipality have sole or effective control of a Municipal entity?			✓		
13	If yes to above, is there a set of consolidated annual financial statements?	s121(3)(a), s 122 (2)			✓	
CONCLUSION						



MFMA disclosure checklist: Municipalities

	Disclosure requirements	MFMA	Yes	No	N/A	Comments
	Has the following been disclosed?					
a)	Government Grants (AFS)	s 123 (1)				
1	Allocations received from an organ of state in the National or Provincial sphere of government	s 123(1)(a)(i)	✓			
2	Allocations received from a Municipal entity or another municipality	s 123(1)(a)(ii)	✓			
3	Allocations made to a Municipal entity or another municipality	s 123(1)(b)(i)	✓			
4	Allocations made to any other organ of state	s 123(1)(b)(ii)			✓	
5	Details of how the allocations that were received were spent, per vote excluding equitable share	s 123(1)(c)	✓			
6	The Municipality has complied with allocations made to it by National Government	s 123(1)(d)(i)	✓			
7	The Municipality has complied with allocations made to it other than by National organs of state	s 123(1)(d)(ii)	✓			
8	Reasons for non-compliance with conditions referred to in 6 & 7 above	s 123(1)(e)			✓	
9	Delays or withholding of funds in terms of the DoRA	s 123(1)(f)			✓	
10	Reasons for delay or withholding of funds indicated in 9 above	s 123(1)(f)			✓	
b)	Disclosures concerning Councillors, directors and officials (notes)	s 124				
1	Salaries, allowances and benefits of political office-bearers and Councillors of the Municipality (financial and in-kind)	s 124(1)(a)	✓			
2	Statement by the accounting officer that the salaries, allowances and benefits above are in accordance with the framework in s 219 of the Constitution	s 124(1)(a)	✓			
3	Arrears owed by individual Councillors to the Municipality or its Municipal entity for rates and services which were at any time during the year outstanding for more than 90 days. This should include the names of the Councillors	s 124(1)(b)	✓			
4	Salaries, allowances and benefits of the Municipal Manager, CFO and every senior manager	s 124(1)(c)	✓			
c)	Other compulsory disclosures (notes)					
1	List of all Municipal entities under the shared or sole control of the Municipality	s 125(1)(a)			✓	
2	Total amount of contributions to organised local government for the year and any outstanding amounts at year end	s 125(1)(b)	✓			To be included
3	Total amounts paid for the following and whether any amounts were outstanding at year end:	s 125(1)(c)				
	Audit fees	s 125(1)(c)	✓			
	Taxes	s 125(1)(c)			✓	
	Levies	s 125(1)(c)			✓	
	Duties	s 125(1)(c)			✓	
	Pension	s 125(1)(c)	✓			
	Medical aid	s 125(1)(c)	✓			
4	In respect of each bank account during the relevant financial year:	s 125(2)(a)				
	Name of bank where account is held	s 125(2)(a)	✓			
	Account type	s 125(2)(a)	✓			
	Opening balances	s 125(2)(a)	✓			
	Year end balances	s 125(2)(a)	✓			
5	Summary of all investments at year end	s 125(2)(b)	✓			
6	Particulars of contingent liabilities at year end	s 125(2)(c)	✓			
7	Material losses and material irregular or fruitless and wasteful expenditure and unauthorised expenditure and whether they are recoverable	s 125(2)(d)(i)	✓			
8	Any criminal or disciplinary steps taken as a result of material losses and material irregular or fruitless and wasteful expenditure and unauthorised expenditure	s 125(2)(d)(ii)			✓	
9	Material losses recovered or written off	s 125 (2) (d)			✓	
10	Particulars of non-compliance with the MFMA	s 125 (2) (e)			✓	
CONCLUSION						

Minutes of an Oversight Committee meeting held at Umdoni Municipality, Scottburgh offices, Council Chambers on Monday, 15 November 2010 at 13h00

Present

Cllr D Cele	Committee Member
Cllr EV Baptie	Committee Member
Cllr NLP Msani	Committee Member
Pastor L Nagan	Committee Member (Park Rynie Civic Association)
Mr Nyadi	Committee Member (Government Department Representative)
Mrs GN Mavundla	GM Corporate Services
Mr A Nunkumar	GM Financial Services
Mrs L Harisingh	Manager Internal Audit
Mr T Matlapeng	Representing: Senior Manager Strategic P&D
Mr X Luthuli	GM Community Services
Mr K Subben	Representing GM Technical Services
Mrs C Douglas	Senior Committee Officer

Apology

Mr DD Naidoo	Municipal Manager
Mr S Hlope	Audit Committee Member

Notice of meeting

The notice of meeting was taken as read.

Attendance

As recorded above.

Appointment of Chairperson

On the proposal of Councillor Msani, seconded by Pastor Nagan, Councillor D Cele was elected as Chairperson of the Oversight Committee.

Councillor Cele requested that the GM Corporate Services Cllr G Mavundla elaborate on the purpose of the meeting.

Purpose of meeting

The General Manager Corporate Services advised that the Oversight Committee is established as per Section 33 and 79 of the Municipal Structures Act, 1988. The purpose of the committee is to conduct a detailed analysis and review of the Annual Report and draft an oversight report to be considered by Council. The Committee should also receive and review representations made by the public and seek input from other Councillors and Council Portfolio Committees. Upon finalisation, this oversight report could then be taken to full Council for adoption.

The Committee has been delegated by Council for the above purpose and upon the finalisation of its report, Council will adopt the report taking into account the recommendations of the Committee.

First draft/2009-2010 annual report: discussion/comments

The first draft of the 2009/2010 Annual Report was tabled at the meeting. Each chapter of the report was presented to the Committee to assist in familiarising Committee Members with the content, to allow queries to be raised, and suggestions to be forwarded.

GM Corporate Services Mrs G Mavundla advised Committee that there were numerous grammatical amendments to be made throughout the report and that these matters would be dealt with administratively prior to sending the report to the printers.

Amendments and suggestions of the Committee have been received as follows:

Page	Item/Heading	Details	Action
4 – 11	Mayoral/MM foreword and report by Audit Committee	Grammatical and formatting/layout amendments. NOTE: All three forewords to include a paragraph on the A.F.S. after finalisation	CC
12	Overview	Include Map of area	Printer
13	Statistics	Include 2009 voter registration figures and distribution per ward and a comparison to the 2007 voter registration stats	CC – obtain info from IEC
15	Places of interest	Include a paragraph on the 3 tribal authorities (Place under overview) Info to include which ward the T/A covers and names of Inkosi	Snr Manager Dev
17 – 23	Governance	Minor typing errors	CC/GM Corp
23 – 26	Mayoral programmes	Content to remain, however numerous grammatical amendments. Item 3 (launch of Gel Project – report is duplicated on pg 37) One of the reports are to be deleted	GM Corp
33 – 36	Employment Equity Statistics (comparison tables)	Combine the 3 tables into 1 table for easier reading	HR
35	Skills programmes	CIIR training to be included	GM Corp/HR
38 – 47	Development Section	Grammatical amendments and presentation of reports to be reviewed	Snr Manager Dev
39	IDP review	Table on pg 39 – information to be included	Snr Manager Dev
46	Ethanol Gel Project	Duplicated report (see pg 24) – one report to be deleted	CC
43	LED	GM Corp and Snr Manager Dev to discuss and amend report if there is missing information	GM Corp Snr Manager Dev
52	SCOPA	Include additional paragraph on milestones, establishment etc.	MIA
56 – 72	Technical Services Report	Grammatical amendments required throughout	GMTS
61	Town planning applications	GMTS to confirm whether the figures are for the reporting period	GMTS
66 – 69	Disaster projects	This report must be made very prominent, the process, challenges, and how the funds were expended per area to be included	GMTS
73	Corporate Services	Report on Fleet Section (challenges) to be included	GM Corp
73	Corporate Services – organogram	Include functions/fleet and signage not reflected	GM Corp
80	Valuation appeals	Additional paragraph to be inserted	GM Corp
82	Ward Committees	Include information on the suggestion boxes	GM Corp
83	Community Services	Organogram requires amendments (missing sections): Refuse should be under Technical Services. Clinics not reflected	GM Comm
86 – 100	Community Services	Entire report requires grammatical amendments	GM Comm
98	Community Services	FIFA World cup – report to be forwarded	GM Comm
	Technical Services	<u>Additional Reports required on the following:</u> Tidal Surge Project (close out) Toll road	GMTS
	Development Section	<u>Additional Reports required on the following:</u> LED Forum – report on establishment, membership, objectives, milestones, number of meetings etc. Beachfront development Performance reports/consolidated performance reports	

NOTE: DEADLINES FOR THE ABOVE IS MONDAY 29 NOVEMBER 2010.

Way forward

It was agreed that comments and suggestions as listed above would be included in the report.

Members of the Oversight Committee are welcome to contact GM Corporate Services Cllr G Mavundla with additional comments relating to the Annual Report: **DEADLINE: 29 NOVEMBER 2010.**

The following way forward was agreed to:

- The Draft Annual Report will be tabled at the December 2010 Council Meeting (2 December 2010).
- Invitations for public comments will be called for during the month of December 2010, the Annual Report will be placed in all Council libraries and reception areas.

Any comments received from the public or Councillors will be considered prior to the final report being adopted by Council. It was agreed that one further Oversight Committee Meeting would be convened before submitting the final document to Council for adoption.

Councillor Baptie thanked GM Corporate Services Cllr G Mavundla and her team for progress relating to the Annual Report and stressed the importance of finalising the report before the forthcoming elections.

Date of next meeting

To be advised (early February 2011).

Closure

The Chairperson thanked all for their attendance and closed the meeting at 14h40.

CONFIRMED THIS 10th Day of MARCH 2011.



**Councillor EV BAPTIE
CHAIRPERSON**



Minutes of a Oversight Committee Meeting held at the Umdoni Municipality, Scottburgh Offices, Council Boardroom on Thursday 10 March 2011 at 10:00

Present

Cllr D Cele	Committee Member
Cllr EV Baptie	Committee Member (Chairman elect)
Pastor L Nagan	Committee Member (Park Rynie Civic Association)
Mrs GN Mavundla	GM Corporate Services
Mr A Nunkumar	GM Financial Services
Ms T Qwemesha	For M.I.A.
Ms B Jaca	Snr Manager Development
Ms V Dutt	For GM Community Services
Ms M Pillay	For GM Technical Services
Mrs C Douglas	Senior Committee Officer

Apology

Mr DD Naidoo	Municipal Manager
Cllr NLP Msani	Committee Member
Mrs L Harisingh	Manager Internal Audit.
Mr Nyadi	Committee Member (Government Department Rep)
Mr P Preston	Audit Committee Member

Notice of meeting

The notice of meeting was taken as read.

Attendance

As recorded above.

Appointment of chairperson

Item added to agenda. GM Corporate Services Cllr Grace Mavundla advised that in terms of the guidelines, it is not advisable for a Councillor from the ruling party to Chair the Oversight Committee Meetings. This is mainly to ensure independence and objectivity of the Committee.

On the proposal of Pastor Nagan, seconded by Councillor Cele, Councillor EV Baptie was duly appointed Chairperson of the Oversight Committee Meeting.

Confirmation of minutes of the Oversight Committee Meeting held on 15 November 2010

On the proposal of Pastor Nagan, seconded by Councillor Cele, the minutes of the oversight committee meeting held on 15 November 2010 were confirmed.

Matters arising from minutes of the Oversight Committee Meeting held on 15 November 2010

The table over the page depicts the items that the Oversight Committee had raised at the first meeting. Mrs Douglas provided the following update at the meeting:

Item/Heading	Details	Action taken
Mayoral/MM foreword and report by Audit Committee	Grammatical and formatting/layout amendments NOTE: All three forewords to include a paragraph on the A.F.S. after finalisation	Done Done – all three of the forewords now contain a paragraph on the AFS
Overview	Include map of area	Done
Statistics	Include 2009 voter registration figures and distribution per ward and a comparison to the 2007 voter registration stats	Done – information included
Places of interest	Include a paragraph on the three tribal authorities (place under overview) Info to include which ward the T/A covers and names of Inkosi	Information still to be provided by the snr manager development
Governance	Minor typing errors	Done
Mayoral Programmes	Content to remain, however numerous grammatical amendments Item 3 (launch of Gel Project – report is duplicated on pg 37 One of the reports are to be deleted	Done Corrected
Employment Equity Statistics (comparison tables)	Combine the three tables into one table for easier reading	Done
Skills programmes	CIIR training to be included	Done
Development Section	Grammatical amendments and presentation of reports to be reviewed	Done
IDP Review	Table on pg 39 – information to be included	It was agreed that the table could be removed and the information is provided under the Mayoral Programmes
Ethanol Gel Project	Duplicated Report (see pg 24) – one report to be deleted	Corrected
LED	GM Corp and Snr Manager Dev to discuss and amend report if there is missing information	The report was perused by the managers and is correct
SCOPA	Include additional paragraph on milestones, establishment etc.	Not required for the period of reporting
Technical Services report	Grammatical amendments required throughout	Corrected
Town Planning applications	GMTS to confirm whether the figures are for the reporting period	Information verified
Disaster projects	This report must be made very prominent, the process, challenges, and how the funds were expended per area to be included	A new, detailed report with appropriate pictures has replaced what was originally submitted
Corporate Services	Report on Fleet Section (challenges) to be included	Outstanding and to be done before oversight report goes to Council
Corporate Services – organogram	Include functions/fleet and signage not reflected	Corrected
Valuation appeals	Additional Paragraph to be inserted	Not required as the additional information pertains to the current financial year
Ward Committees	Include information on the suggestion boxes	Done
Community Services	Organogram requires amendments (missing sections): Refuse should be under Technical Services Clinics not reflected	Done
	Entire report requires grammatical amendments	Corrected
	FIFA World cup – report to be forwarded	Included under mayoral programmes
Technical Services	<u>Additional Reports required on the following:</u> Tidal Surge Project (close out) Toll road	Closure out report presented in previous annual report Detailed report now appears
Development Section	<u>Additional Reports required on the following:</u> LED Forum – report on establishment, membership, objectives, milestones, number of meetings etc. Beachfront development Performance reports/consolidated performance reports	Information to be forthcoming if it falls within the year of reporting Report to be provided prior to oversight report going to Council Included

The Oversight Committee Members were satisfied that all items raised previously had been attended to and noted that the outstanding items (shaded above), would be included in the report prior to the oversight report being submitted to Council for adoption.

Consideration of the draft 2009/2010 Annual Report

The draft report was then presented to the Committee and after perusal, the Committee requested that the following matters be included:



- Picture of the Humberdale Landfill site to be included. ACTION: GMTS
- Information of quotations/tenders to be included. ACTION: GMFS
- Agreed that the outstanding items from the first Meeting and the above two items would be included in the Annual Report prior to adoption by Council.

Completion and signing of the 2009/2010 Annual Report checklists

The Chairman went through the annual report checklist – only items requiring attention are captured herein.

(Annexure B)

- *Is there an assessment by the accounting officer of any arrears and municipal taxes?*
(This is outstanding and GMFS to include). ACTION: GMFS
- *Does the Annual Report contain a response to the Audit Report and AFS?*
THIS IS OUTSTANDING. There have been challenges due to resignations of members of the Audit Committee, however, the report will be tabled at the Audit Committee Meeting scheduled for 29 March 2011 and the comments will then be tabled and included in the oversight report at the Council Meeting on 30 March 2011. ACTION: GMFS

(Annexure D)

- *Under Section (c), Total amount of contributions to organised local government for the year and any outstanding amounts at year end.*
OUTSTANDING (Salga and Kwanaloga)
- This aspect must still be included in the CFO's report. ACTION: GMFS
Agreed that the above matters pertaining to the checklist would be attended to and included and reported on at the Council meeting when the oversight report is tabled.

Way forward: Oversight report to Council

The following processes were noted:

- The Annual Report was tabled at the Council Meeting on 8 December 2010 for noting, whereafter it was advertised and placed in the Council libraries and reception areas inviting comments from the public/Councillors. No comments were received.
- The first draft of the Annual Report was presented to the Auditor General in September 2010 and to CoGTA in August 2010.
- The Committee agreed that it would not be necessary to hold further meetings provided Management has complied with all outstanding items.

After discussions it was UNANIMOUSLY RESOLVED that the Oversight Committee accept the Annual Report and recommend adoption to Council subject to the outstanding issues raised under (5) – (Shaded areas) and outstanding matters in the checklist being complied with.

Closure

There being no further business to discuss, the meeting was closed at 11h30.



**CHAIRPERSON
CLLR EV BAPTIE**

Acknowledgements



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Audit Committee Chairperson for their
assistance.

ACRONYMS AND ABBREVIATIONS			
ABET	Adult Basic Education and Training	IGR	Inter-Governmental Relations
ACDP	African Christian Democratic Party	ISRDP	Integrated Sustainable Rural Development Programme
AIDS	Acquired Immune Deficiency Syndrome	IT	Information Technology
ANC	African National Congress	JOC	Joint Operations Centre
BBBEE	Broad Based Black Economic Empowerment	KPI	Key Performance Indicator
CBD	Central Business District	KWANALOGA	KwaZulu-Natal Local Government Association
CFO	Chief Financial Officer	LED	Local Economic Development
CBO	Community Based Organisation	LGSETA	Local Government Sector, Education Training Authority
CLLR	Councillor	LM	Local Municipality
CMIP	Consolidated Municipal Infrastructure Programme	LUMS	Land Usage Management System
DA	Democratic Alliance	MEC	Member of the Executive Committee
DAEA	Department of Agriculture and Environmental Affairs	MF	Minority Front
DBSA	Development Bank of Southern Africa	MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
DFA	Development Facilitation Act	MHC	Municipal Health Services
DLGTA	Department of Local, Government and Traditional Affairs	MIG	Municipal Infrastructure Grant
DORA	Division of Revenue Act	MM	Municipal Manager
DM	District Municipality	MPCC	Multi-Purpose Community Centre
DME	Department of Minerals and Energy	NGO	Non-Governmental Organisation
DPLG	Department of Provincial and Local Government	PDI	Previously Disadvantaged Individual
DWAF	Department of Water Affairs and Forestry	PHC	Primary Health Care
EHO	Environmental Health Officer	PMS	Performance Management System
EIA	Environmental Impact Assessment	PPP	Private Public Partnership
EMP	Environmental Management Plan	SALGA	South African Local Government Association
EXCO	Executive Committee	SCM	Supply Chain Management
FBE	Free Basic Electricity	SDBIP	Service Delivery and Budget Implementation Plan
FBS	Free Basic Service	SDF	Spatial Development Framework
GAMAP	Generally Accepted Municipal Accounting Practices	SEDA	Small Enterprise Development Agency
GIS	Geographical Information System	SETA	Sector Education and Training Authority
GRAP	Generally Recognised Accounting Practice	SLA	Service Level Agreement
HOD	Head of Department	SMME	Small, Medium and Micro Enterprises
IDP	Integrated Development Plan(ning)	UBC	Umdoni Business Chamber
IFP	Inkatha Freedom Party	WSDP	Water Services Development Plan





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Council's Oversight Report

DATE: 30 March 2011

NON DELEGATED ITEM

FOR CONSIDERATION OUT OF COMMITTEE

DEPARTMENT: Corporate Services

AUTHOR OF REPORT: Cllr Baptie

Purpose

For Council to adopt the Oversight Report in respect of the 2009/2010 Annual Report.

Attachments

Annual Report Checklist – Letter to Auditor General dated 15 September 2010

2009/2010 Annual Report (distributed to Chief Whips)

Minutes of the Oversight Committee Meeting held on 15 November 2010

Minutes of the Oversight Committee Meeting held on 10 March 2011

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Background

MFMA Circular No 21, issued by National Treasury on 15 March 2006, provides guidelines on the preparation of the Oversight Report in respect of a Municipality's Annual Report. The guidelines were followed and Council appointed an Oversight Committee which comprised the following members:

Non-executive members

Cllr EV Baptie

Cllr D Cele

Cllr N Msani

Public members

Pastor L Nagan

Mr M Nyadi

Audit Committee

Mr S Hlope/Mr P Preston

The above committee met on two occasions to consider the Annual Report. The minutes of the meetings follow.

The community and Councillors were invited to submit representations on the report and copies of the draft document were placed at all Council libraries and Municipal Offices. No comments were received.

The draft Annual Report was forwarded to the Office of the Auditor-General on 15 September 2010 and forwarded to CoGTA on 31 August 2010. In accordance with section 129 of the MFMA, the Annual Report was also tabled before Council at the December 2010 Council meeting together with the annual financial statements.

At its meeting held on 10 March 2011, the Oversight Committee unanimously agreed to recommend to Council the adoption of the Annual Report.

Municipal Manager's comment

For consideration.

Recommendation

Council resolved as follows:

1. that the Council, having fully considered the 2009/2010 Annual Report of the Municipality and representations thereon, adopts the oversight report, and
2. that Council approves the 2009/2010 Annual Report without reservations.
3. that the amended Audit Report for the year ended 30 June 2010, from the Office of the Auditor General (S.A.) be hereby received and noted.
4. That the Plan of Corrective Measures aligned to the Audit Report in resolution (3) be hereby adopted.



CHAIRPERSON, CLLR EV BAPTIE